

GENERAL TERMS & CONDITIONS

This General Terms & Conditions may please be read in conjunction with individual Purchase / Service Order Conditions.

Definitions:

„Purchaser“ means, who awards the supply order to supplier and shall include its Directors, Employees, Successors, Engineers, Agents or, any of them.

'Supplier' means the Vendor/ Supplier who is registered with the Purchaser for supplying of the equipment/spares and other materials under this Purchase order/ Contract and includes its Directors, Employees, Successors, Engineers, Agents or, any of them.

'Engineer' means any Consultant engaged and authorised by Employer to supervise the job or, instruct the supplier to execute the job.

'Goods' means any material mentioned in the order. It includes equipment, spares, consumables, raw materials and other hardware/software articles.

'Order' means purchase order or work order or value contract issued by the purchase from time to time for supply of the materials by supplier within a specified time period and in pursuance to the other special terms and conditions mentioned therein.

1. Order Date:

The Order release date mentioned in the order is the Order Date.

2. Pricing Type:

- a. The Prices indicated are for door delivery to HBL stores location, properly packed, by road transport, for locations other than HBL works, the destination will be as specified in the order.
- b. The Prices indicated shall remain fixed, firm and binding (unless otherwise specifically indicated elsewhere in the order) till completion of delivery of all equipment/ goods.
- c. The Supplier shall be solely responsible and liable for his wrong assumptions/ omissions/ consideration, if any, and shall inclusive of all-applicable taxes and duties in the order price. In addition to above, taxes and duties, if any, which are prevailing on the date of issuance of order, as the case may be, but not considered by the suppliers in the order price, shall be borne and paid for by the supplier.
- d. Payment made for supplies received as per this purchase order, prior to inspection shall not constitute acceptance thereof.

3. Freight Charges:

If not mentioned otherwise, the transportation will be arranged by the supplier.

4. Transit Risk Responsibility:

Materials need not be insured at purchaser's cost unless specifically agreed to in the order. However, the supplier shall be responsible for safe arrival of the goods at its final destination in good condition and without any loss or, damage until the same is actually delivered to and received by the purchaser. If, on inspection at the final destination, the purchaser discovers any loss in the goods supplied or that goods are received in damaged condition or that, in the opinion of the purchaser, the goods do not comply with the ordered quantity or specification, the purchaser, notwithstanding that the title of the goods shall have passed on to the purchaser, shall be entitled to refuse acceptance of the goods or reject it altogether and claim damage or cancel the order and shall be at liberty to buy purchaser's requirements from any other supplier of his choice and recover the loss, if any, from the supplier.

Accordingly, the supplier shall at his cost, if considered necessary by him, arrange transit insurance with all Risks cover including SRCC (strike, riots and civil commotion) for inland transit. The risk/ title and ownership of goods shall remain with the supplier till the equipment/ items and materials are received by the Purchaser at destination as per the order, in satisfactory condition & accepted.

5. GST :

- Levy of GST shall be based on location of the service provider / goods supplier i.e., CGST + SGST for intra state, IGST for inter-state;
- The invoice shall be strictly as per the prescribed rules as shall contain all the prescribed contents;
- The service provider / goods supplier shall be deemed to have indemnified as per Clause No.5.1 below against any credit loss to us on account of the non-compliance (tax payment and return filing etc.) of the service provider / goods supplier;
- Any benefits accrued to the service provider / goods supplier (ex: reduction in tax rate) shall be passed on to the recipient as per anti-profiteering clause in the CGST Act, 2017;

5.1 Clause for indemnification:

"The Vendor/ Service Provider shall severally defend, indemnify, reimburse and save the Purchaser, harmless for, from and against any losses arising from any deviations/ non-compliances on part of the Vendor/ Service Provider in relation to the Goods and Services Tax law, including, without limitation, all reasonable costs and expenses incurred in preparing, defending, investigating or pursuing any such Claim and the reasonable fees, expenses and disbursements of legal counsel, accountants and other professional advisors (in each case on a full indemnity basis) incurred in connection therewith, whether or not arising due to third party Claims, which they may suffer or incur directly or indirectly as a result of or in connection with or relating to"

5.2 Change in Tax rules :

In the event that any new laws or, regulations imposing taxes in respect of Supplier / Importer / Service provider supplies under this order conditions are enacted after the effective date, the party directly subject to such taxes under such laws or regulations shall be responsible for such taxes. Where such taxes are the responsibility of the supplier/ service provider and are entitled to charge them to Buyer, Buyer shall pay these Taxes in addition to the consideration payable under this order conditions.

5.3 Anti-profiteering clause:

Under the new GST law, a new concept of anti-profiteering which mandates a registered taxable assessee, under GST law to pass the benefit of reduction in rate of tax or benefit of input tax credit to the recipient by way of commensurate reduction in prices. We request you to comply with this provision and communicate the probable revised price of the goods/ services after factoring the impact of this clause. We believe that the benefit accruing on account of increased creditability should be passed on to us as Buyer/Customer & any violation shall be dealt as per statutory norms.

6. Terms of Delivery:

The delivery of goods shall mean delivered in good condition, duly packed and freight prepaid by the supplier, Door delivered to HBL as per address specified in the order or, instructed otherwise. For locations other than HBL, the destination will be as specified in the order.

7. Way Bill/ Road Permit:

The supplier shall approach for issue of E-way bill/ Road Permit (if applicable) along with details required to issue the waybill/ road permit, at least 24 hours prior to dispatch. The material shall not be dispatched without waybill/ road permit. The reconciliation Statement on utilization of waybill/ road permits shall be sent to HBL immediately after usage.

SUPPLIER shall compensate the PURCHASER for any LOSS, COST, DAMAGE and PENALTY suffered by the Purchaser on account of loss or, mis-use of waybill or demand levied by the Commercial Tax Department.

8. Terms of Payment:

Payment terms shall be as stipulated in the contract/ purchase order.

9. Submission of Bills:

Bills/ Invoices must be prepared in line with GST guidelines. The supplier must indicate in their invoice the following:

- a) "TAX INVOICE" must be printed on every original invoice.
- b) Supplier's GSTIN number.
- c) Material description shall be clear and legible as per the order.
- d) Purchase order number, item/ material code and material description.

10. Warranty & Guarantee Period :

- a) Unless indicated otherwise. Warranty & Guarantee period shall be 12 (Twelve) months from the date of commissioning/ use of 18 (Eighteen) months from the date of receipt, whichever is earlier. However, for any "Generic defects" supplier will be responsible even after warranty/ guarantee period.
- b) During the warranty/ guarantee period, the supplier shall at his own expense, upon written demand by the purchaser, promptly repair or replace at the plant site, free of cost to Purchaser, any part(s) constituting the plant.
- c) Which may not comply with Technical specifications and the representations and warranties set forth in the General Terms & Conditions, or
- d) Which may be of defective or incorrect design, or
- e) Which under normal and proper use and maintenance proves defective in workmanship or materials or deficient in performance, subject to normal wear and tear.

11. Deliveries against open orders:

In the event of any variance between the delivery dates indicated against the item and the date calculated based on completion period given in the text of the order, the date calculated based on

the completion period given in Text shall be binding for all contractual purposes. If any quantities for the same material are outstanding against any previous order(s) at lower rates, the same should be executed completely prior to execution of new order with higher rate. The supplier shall be responsible for completion of previous orders.

Tolerance: Supplies received up to plus or minus 3% shall be acceptable. Goods delivered in excess of 3% of the quantity ordered will not be accepted.

12. Supplies against Value Contracts & Scheduling Agreements:

- a) Value contract is a contract with a ceiling value and validity period. The deliveries are not to be made against the contract. Purchaser shall release the Delivery Order (with specific quantity and delivery schedule), within the validity period against the agreement. The supplier shall deliver the goods as per the Delivery Order.
- b) Scheduling Agreement is a contract for a given period with item-wise tentative quantities to be consumed during the validity of the contract. The deliveries are not to be made against the said agreement. The supplier shall deliver the goods against the schedule Lines with firm quantity and delivery schedule released by the purchaser.
- c) Prices shall remain firm till the validity of contract/agreement, unless otherwise specified in the order.
- d) Material against a Contract or Scheduling agreement shall be supplied only on receipt of a release order (RO) or, Schedule Line.

13. Risk Purchase:

Materials must be delivered as per the delivery schedule indicated, failing which purchaser reserves the right to cancel the order and procure materials from alternate suppliers and recover loss, if any, from the supplier's outstanding if any that may be due from HBL to the supplier against any of the orders/agreements entered into with the supplier.

14. Timely Delivery:

Timely delivery & correct quality is the essence of this order. HBL reserves the right to impose suitable penalty wrt late delivery, or, item of sub-standard quality, if any.

15. LD Clause:

Ordered materials must be shipped out in such a fashion that it reaches our plant on desired day as indicated in this PO. Delayed deliveries shall attract LD @0.5% per week.

16. Markings:

Marking in English block letters shall be clearly stenciled on the packages with good quality non-fading paint in characters sufficiently large as the size of the package will permit. Once and the same set of marking should appear on all four sides of the packages. No marking need be made on top and bottom. The following markings shall appear prominently on all the four sides of the packages.

Each consignment must relate to one purchase order only and for each package a separate set of challans must be submitted. Packing of materials against more than one order in a case (if permitted in writing by HBL as a special case) should be done in a manner that the material against each order should be separately packed, marked and listed on separate challans for easy identification. All Packages should be visibly marked on the outside in bold letters with the following for easy identification. The same should be mentioned in the challan(s) as well HBL

(Address of the Plant).....

Purchase order No.

Date:

Material Code:

Material Description:

Unloading Point:

Expiry Date (wherever applicable):

Material Safety Data Sheet (wherever applicable):

Brief Description

Underneath the above main markings, other particulars as under, relevant to the order should be marked on the packages in smaller letters:

Length..... Width

Height.....

Net weight.....Gross weight

Apart from the above markings, cautionary symbols, such as "FRAGILE", "HANDLE WITH CARE", "DO NOT DROP", "KEEP IN DRY PLACE", "TOP", "DO NOT OVERTURN", "HAZARDOUS MATERIAL", "LIFTING POINTS" etc should also be painted as may be appropriate to the contents of package, on all four sides.

17. Shelf Life Items:

In case of shelf life items, the remaining life of the material at the time of delivery must be at least 80% of the total life. In emergency, the item may be accepted after taking due approval, if it is likely to be consumed within the expiry of the shelf life.

18. Force Majeure:

If at any time during the continuance of this order the performance by either party under this order cannot be performed by reasons of any declared war, hostility, acts of the public or, enemy, civil commotion. Sabotage, fire, flood, earthquake, explosion, epidemic, quarantine restrictions or other acts of God (hereinafter referred to as „eventuality") affecting the supply of respective obligation of the parties. The affected party shall notify the other of the happening of any such eventuality. In such an event neither party shall, be entitled to terminate this order, nor shall either party have any claim for damages against the other in respect of such non-performance of the work under this order. The performance shall be resumed as seen as practicable after such eventuality has come to an end or claimed to exist. Under such circumstances the contractual delivery period shall be extended by a period equal to that during which such eventuality operated plus in additional period. If any, as may be considered reasonable by purchaser and supplier, whether the eventuality has come to an end or ceased to exist will be deliberated and mutually settled. Should one or both parties be prevented from fulfilling their contractual obligations by a state of force majeure lasting continuously for a period of at least two (2)

months, both the parties shall consult each other regarding the further implementation of the order, provided always that. If no mutually agreed arrangement is arrived at within a period of one (1) month from the expiry of the two (2) months referred to above, the order shall be deemed to have expired at the end of the said three (3) months referred to above. The above mentioned expiry of the order will imply that both the parties have the obligation to reach an Agreement regarding the winding up and financial settlement of the order.

19. Cancellation of Order/ Contract:

Without prejudice to clauses concerning Force Majeure and Arbitration hereof and to any other remedy available, the purchaser at his option may cancel the contract at any time by simple written notice to the supplier in case of supplier's non-compliance with the undertakings under the contract/ order and more specifically in case any of the following circumstances occurs.

- a) Unjustified interruption of contractual services by the supplier including delays and/ or failure to maintain delivery schedule of plant and equipment, designs and drawings and other supplies or completion of work as agreed to.
- b) Errors, negligence, insufficiencies in the contractual work under execution or failure to supply required materials as per specification or manpower in other similar circumstances affecting the quality of work for reason attributable to the supplier.
- c) If the supplier refuses to implement instructions received from the purchaser within the stipulations of the contract/ order.
- d) Where the supplier is declared in liquidation or bankruptcy or is involved in similar proceedings or has been implicated repeatedly in litigation or may have entered into or transfers with the creditors or others, which might compromise the Supplier's solvency. In any of the cases described above, the purchaser shall inform the Supplier of its decision to cancel the contract/ order or to terminate the supplier's services, in whole or part under specifying in such notice the reason or the basis for this decision. The supplier shall within fifteen (15) days from the above notice of default, correct such default or satisfies the purchaser regarding the action taken by him for the corrective action, failing which the purchaser at his option will cancel the contract/ order. The supplier shall immediately stop all work in connection with the contract/ order, except as directed by the purchaser. In such case, the purchaser shall be at liberty to contract with other parties or to perform with his own personnel those supplies/services undertaken by the supplier in the contract/ order. In such case, the supplier shall be liable for any costs incurred by the purchaser for obtaining and/ or erecting the balance of the plant from another party in excess of the ordered price. In case of termination of part of the contract/ order, the supplier will continue performance of the contract/ order; the Supplier will continue performance of the contract/ order to the extent not terminated by the purchaser.
- e) In the event of cancellation/ deferment of order by our ultimate Customer.

20. Code of Conduct:

At any point of execution or, performance of this Order, the Seller or Service provider comes through any demand, request for gratification, favor, etc., the Seller or Service provider is requested to report the same to concerned authority (refer to HBL website >> About HBL > HBL Responsibility > Code of Conduct> Employees).

21. Arbitration:

- a) **Governing Law and Jurisdiction**
This contract/ order shall be construed, governed and enforced in accordance with the law of India. The parties hereby agree that jurisdiction over any dispute arising under this contract/ order shall be vested only in the Courts of India and the parties submit to the jurisdiction of the said court of Hyderabad, India.
- b) **Dispute Resolution**
Any dispute or difference arising between the parties hereto in respect of any aspect of this contract/ order or the interpretation construction of effect of the terms and condition of the contract/ order shall be first settled mutually by negotiations between the parties. In case no settlement is reached, such dispute or difference shall be referred to a Sole Arbitrator if both the parties agree upon the same. Should the parties not agree to the appointment of a Sole Arbitrator, each party shall appoint its own Arbitrator and the two Arbitrators no appointed by the parties shall appoint the third Arbitrator who shall act as the presiding Arbitrator. The arbitration proceedings shall be conducted and governed by the Arbitration and Conciliation Act, 1997 and amendment made thereof. The language of the arbitration shall be English and the place of arbitration shall be Hyderabad.
The Award made by the Arbitral Tribunal shall become final and binding upon the parties and shall be enforced in accordance with applicable provisions of the Arbitration and Conciliation Act, 1996.

22. Construction of Contract/ Order:

The order shall be governed by the laws in India.

The order shall in all respects be construed and operated as a contract as defined in the Indian Contract Act. 1872 and Sale of goods Act, 1930. If applicable and save as otherwise expressly provided herein shall be governed by the provisions of the said Act.

23. Inspection and Rejection:

The purchaser shall reserve the right to reject/ part accept the goods under following conditions:

- a) Inordinate delay in delivery
- b) Goods not as per specifications, the material to be supplied strictly as per our spec./ drawings.
- c) If you do not have the specifications, please ask for it.
- d) If material is not found to be as per our spec, the same shall be rejected / shall not be unloaded.
- e) If unloaded, Supplier must collect rejected goods within 7 days from our premises at supplier's cost. If any advance paid to supplier, the same shall have to be returned to purchaser within 7 days and before collection of rejected goods. If replacements of rejected goods are arranged within 7 days then the advance refund clause is not applicable.
- f) Our internal lab report is final and binding to the supplier.
- g) Test certificates/ MSDS/ other certificates as specified in the order not provided at the time of delivery.
- h) Goods received in damaged condition / goods not packed as per prevailing standard / goods supplied in loose condition.
- i) Short/ excess supply.
- j) Any error in the invoice / incomplete documentations.
- k) Excise and other statutory documents not provided at the time of delivery.
- l) Goods if found defective during stage inspection.
- m) All supplies/ goods should be in proper packing with the following 1) Item description, 2) Manufacturer part number. 3) Batch number and 4) Expiry date details. Otherwise the supply is liable to be rejected.

24. Other Conditions :

- a) Vehicle having age more than 15 years is not allowed inside the purchaser's premises. HBL is an ISO certified Purchaser and hence it is suggested that all HBL Suppliers/ Service Providers follow ISO certified Quality Procedures.
- b) The supplier shall acknowledge receipt of order/ contract and send the acceptance within 24 hours of placement of order. In case of non- receipt of order acknowledgement/any communication within this period, the order shall be treated as accepted.
- c) Material Safety Data Sheet shall accompany each item (as specified in the material specifications) at the time of delivery.
- d) Transporters should maintain vehicle pollution certificate, RC and Driver license. The product related legal requirements are to be ensured while transporting and handling hazardous material for supplying to our factory).
- e) Hazardous materials are to be packed, transported and delivered as per the requirements of MSDS, TREM card for each of the hazardous materials being supplied by you.
- f) Designs, Drawings, Samples and any other Technical/Commercial information given by HBL should not be disclosed to any party and should not be utilized for manufacturing of same or similar goods for any other party and these should be returned to HBL on demand.
- g) All correspondence with us shall be in duplicate & document requirements shall be as under. Our PO No. / WO No. etc., must be clearly be written in all letters addressed to us.

Description	No. Of Copies
a. Invoice in Original	1 + 1 Copies
b. Inspection Clearance Certificates	2 (two)
c. Material Receipted Challan (wherever applicable)	2 (two)
d. Packing List duly Signed by Vendor	2 (two)
e. Original Buyers copy of Excise Duty Invoice	1 + 2 Copies
f. Original Freight Document / for reimbursement / and Freight Bill	1 + 1 Copies
g. Material Test Certificates / Inspection Report/ MSDS	2 (Two)
h. Bank Guarantee / Corporate Guarantee (wherever applicable)	1 + 1 Copies

i. Note :

1. The above documents are to be submitted by supplier along with invoice.
2. Signature of supplier's representative & name should appear in invoice.
3. Supplier representative's mobile telephone number must appear in invoice/ other communications.
4. Please note that the tax invoice (if any)/ original for buyer (for excisable goods)/ freight bills (if any) are to be submitted along with duplicate for transporter, road permits/ waybills and other documents along with the material to receiving officer of respective stores at HBL after proper gate entry.
5. Our corporate finance division sends annual book of accounts after end of each financial year. Please collect same if not received from our finance division & tally your records. Any mis-match must be brought to our notice within 30th May every year; thereafter any claim on any deviation will not be acceptable to us.

ADDITIONAL CONDITIONS FOR IMPORT ORDERS

The following terms may please be read in conjunction with General Terms & Conditions posted in website having reference Ref. No.: HBL/ GTC/ Rev-3 , dated 19th June“2017.

1. Pricing Type:

- 1.1) The Prices indicated are as per INCOTERMS mentioned in purchase order. Properly packed for Sea/ Air mode of transport. For locations other than HBL works, the destination will be as specified in the order.
- 1.2) The Prices indicated shall remain fixed, firm and binding (unless otherwise specifically indicated elsewhere in the order) till completion of delivery of all equipment/ goods.
- 1.3) Payment made for supplies received as per this purchase order, prior to inspection shall not constitute acceptance thereof.

2. Freight Charges:

As per INCOTERMS, mentioned in the purchase order.

3. Transport Risk Responsibility:

Materials insurance must be as per agreed INCOTERMS unless specifically agreed to in the order. However, the supplier shall be responsible for safe arrival of the goods at its final destination in good condition and without any loss or, damage until the same is actually delivered to and received by the purchaser. If, on inspection at the final destination, the purchaser discovers any loss in the goods supplied or that goods are received in damaged condition or that, in the opinion of the purchaser, the goods do not comply with the ordered quantity or specifications, the purchaser, notwithstanding that the title of the goods shall have passed on to the purchaser, shall be entitled to refuse acceptance of the goods or reject it altogether and claim damage or cancel the order and shall be at liberty to buy purchaser's requirements from any other supplier of his choice and recover the loss, if any, from the supplier.

Accordingly, the supplier shall at his cost, if considered necessary by him, arrange transit insurance with all Risks cover including SRCC (Strike, Rits and Civil Commotion) for inland transit, the risk/ title and ownership of goods shall remain with the supplier till the equipment/ items and materials are received by the purchaser at destination as per the order, in satisfactory condition and accepted.

4. Terms of Delivery:

The delivery of goods shall mean delivered in good condition, duly packed and freight as per agreed INCOTERMS in Purchase order & as per address specified in the order or, instructed otherwise, for locations other than HBL, the destination will be as specified in the order.

5. Warranty & Guarantee Period:

- a) Unless indicated otherwise, Warranty & Guarantee period shall be 12 (Twelve) months from the date of commissioning/ use of 18 (Eighteen) months from the date of receipt, whichever is earlier. However, for any “Generic defects” supplier will be responsible even after warranty/ guarantee period
- b) During the Warranty & Guarantee period, the supplier shall at his own expense, upon written demand by the purchaser, promptly repair or replace at the plant site, free of cost to purchaser any part(s) constituting the plant.

- c) Which may not comply with technical specifications and the representations and warranties set forth in the general terms and conditions or
- d) Which may be of defective or incorrect design or
- e) Which under normal and proper use and maintenance proves defective in workmanship or materials or deficient in performance, subject to normal wear and tear.

6. Conflict-Free Mineral compliance:

Does not to purchase and process to use conflict minerals such as Tin, Tantalum, Tungsten, or Gold. , or their derivatives that may directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of Congo (DRC) or an adjoining country.

You aware of our obligations with regards to laws and regulations regarding Conflict Minerals, specifically the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502.

So herein declares that the products, materials are met RMI's Responsible Minerals Assurance Process (RMAP).

Based on the information received thus far you should avoid the use of tin, tantalum, tungsten and gold from conflict mines and comply the requirements of Conflict-free minerals act.

ADDITIONAL CONDITIONS FOR SERVICE ORDERS

The following terms may please be read in conjunction with General Terms & Conditions posted in website having reference Ref. No.: HBL/ GTC/ Rev-3 , dated 19th June“2017.

All contractors shall execute service orders exclusively in line with work order specification/ As detailed before submitting the tender. Only competent and skilled persons employed to execute the work order.

Contractor supervisors will be solely supervising the work order execution.

Training to all contractor employees and supervisors till all understand and capable to understand and implement all procedures is the responsibility of the contractor.

The contractor must visit the site and understand the safety hazards and safety measures to be taken while executing the job. The contractor shall fully and solely be responsible for the safety of the employees and his/her materials, tools and tackles.

A display board mentioning the work order, name of the contractor, contact person and his mobile number and other details must be kept at the site.

The contractors shall abide by all rules and regulations and safety standards of HBL. Interpretation and applicable terms for work order are detailed below.

1.0 SCOPE OF WORK:

LUMPSUM CONTRACT/ ITEM WISE PRICE CONTRACT:

Lump sum contract is a “Fixed priced” contract with tentative BOQ. Such contracts are executed where exact BOQ are difficult to arrive at the beginning of the contract. The tentative BOQ and unit rate must be mentioned in an Annexure to the order for verification after completion of the job and certification of bills thereof.

Item wise price contract is a contract where job will be paid on measurement of item executed & duly certified by HBL

- a) You shall execute the work order as per the scope of the work explained /detailed and in line with the technical specifications and parameters stipulated.
- b) The element of scope of work and other aspects to be followed by you at the site are explained to you verbally & briefly mentioned in our work order. You shall be bound by all site rules as per the standards of HBL/HBL's customer's place, which shall be strictly adhered to during the execution.
- c) Timely completion is the essence of the contract. You shall deploy all resources as necessary at right time to expedite and complete the work as per agreed schedule. The completion date may only be extended by written agreement between the parties.
- d) Liquidated Damages for Delay in Completion - HBL reserves the right to recover liquidated damages from the contractor for any delayed completion of site work beyond the stipulated completion period at the rate of half (0.5%) per cent of the total order value per week of delay or part thereof, subject to a maximum of five (5%) percent of the total order value.
- e) **Quality of Job** - The contractor shall execute and demonstrate the performance / quality of the job as per the technical specification. The liquidated damages for non-fulfillment of the performance/quality of the completed work up to acceptable tolerance limit, as indicated in the technical specification/as explained to you shall be limited to five (5) per cent of the total order value.
- f) Non- compliance of HBL's terms and conditions including that of safety standards shall attract penalty at the discretion of HBL management.

2.0 STATUTORY REQUIREMENTS:

You shall strictly adhere to all statutory requirements applicable as per the provision in the contract and as per provisions of rules of Central/ State Government/ Local bodies. All labour related procedures and obligations shall be completed on time prior to start of work and shall be strictly followed during the tenure of contract.

3.0 INDEMNITY:

The contractor shall indemnify and hold harmless HBL, from any claim, demand, cause of action, loss, expenses or liability on account of injury or death of persons (including the Employees of the HBL/ Contractor/ Sub-contractor). Any claim arising out of damage to or loss of property (including the property of the HBL/ Sub-contractor) arising directly or indirectly out of the negligent acts, errors or omissions of the contractor in performance of his obligation under contract. Any claim by government authorities/ quasigovernmental body for failure by the contractor to pay taxes, duties, fees applicable to them arising out of the project. Any claim by third party including sub-contractors for failure to make payment for labour, services, equipment and materials arising out of this contract.

Any claim with regard to designs, methods, process including but not limited to claims arising out of infringement of patent, trademark, proprietary information, know-how, copyright, un-patented inventions or any unauthorized use of work. The contractor shall defend at his own expenses any suit proceedings for any claim asserted against HBL. HBL shall give reasonable assistance required in defending the suit and HBL shall reserve the right to represent his counsel though not obligated to do so. HBL reserves the right to defend/ settle the claim if contractor fails to defend diligently any such suits or proceedings and without relieving the contractor of his obligation. contractor shall at all times indemnify HBL against all claims, damages or compensation under

the provisions of various acts applicable such as the Payment of Wages Act 1938, Minimum Wages Act 1948, Employees State Insurance Act 1948, Workmen's Compensation Act 1923, Fatal Accidents Act 1855, Apprentices Act 1961, Employees Provident Fund and Misc. Provisions Act 1952, Industrial Disputes Act 1947 and Contract Labour (Regulation and Abolition) Act 1970 etc or any modification thereof or any other Law relating thereto (including common law) and Rules made there under from time to time.

4.0 FIXED PRICE:

Being a fixed price no variation contract (**unless otherwise approved**) the sum total shall be fixed and firm and no variation to sum will apply on any account.

5.0 FINAL BILL/ RECONCILIATION:

Timely Submission of Final bill/ Reconciliation Statement - It will be the contractor's responsibility to submit the final bill within 15 days from the completion of the job & settle variation if any. HBL reserve the right to reject any variation if not supported by documentary evidence. The final bill must be submitted with the following documents:

- a) No Claim Certificate
- b) Store clearance certificate
- c) Gate pass clearance certificate
- d) Reconciliation statement for materials issued by the HBL
- e) Safety performance of the party endorsed by Head, Safety.

6.0 SERVICES:

The Contractor must ensure that when supplying the Services:

- a) Will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the Services; Personnel observe and comply with the provisions of this Agreement.
- b) The contractor, if required by the Principal, must give its consent to the conduct of a police check or any other enquiry and the contractor, if required by the Principal, must procure the consent of Personnel to the conduct of a police check or any other enquiry.
- c) If the Principal gives the contractor notice in writing requiring any one or more of the Personnel to be withdrawn from providing the services, the contractor must immediately comply with the notice and provide replacements acceptable to the Principal. If the contractor fails to comply with that notice then the Principal may terminate the work order immediately by written notice to the contractor.

7.0 CONFIDENTIAL INFORMATION:

Subject to this clause, neither party may disclose any confidential information of the other party except as genuinely and necessarily required for the purpose of this work order agreement. A Non Discloser Agreement (NDA) will have to be signed by both the Receiving Party and Disclosing Party as per HBL's standard format.

8.0 ARBITRATION:

a) Governing Law and Jurisdiction

This contract/ order shall be construed, governed and enforced in accordance with the law of India. The parties hereby agree that jurisdiction over any dispute arising under this contract/ order shall be vested only in the Courts of India and the parties submit to the Jurisdiction of the said courts at Hyderabad, India.

b) Dispute Resolution

Any dispute or difference arising between the parties hereto in respect of any aspect of this contract/ order or the interpretation construction or effect of the terms and condition of the contract/ order shall be first settled mutually by negotiations between the parties. In case no settlement is reached within a period of 60 (sixty) days from the date of dispute raised by one party on the other, such dispute or difference may be referred to a Sole Arbitrator by the aggrieved party. Should the parties not agree to the appointment of a Sole Arbitrator, each party shall appoint its own Arbitrator and the two Arbitrators so appointed by the parties shall, before entering upon the reference, appoint the third Arbitrator who shall act as the presiding Arbitrator. The arbitration proceedings shall be conducted and governed by the Arbitration and Conciliation Act, 1996 and amendment made thereof. The language of the arbitration shall be English and the place of arbitration shall be at Hyderabad. The parties may however mutually agree to any other venue in India for the arbitration, failing which the Arbitral Tribunal shall decide the venue. The Award made by the Arbitral Tribunal shall become final and binding upon the parties and shall be enforced in accordance with applicable provisions of the Arbitration and Conciliation Act, 1996.

c) Construction of Contract

The order shall be governed by the laws in India. The order shall in all respects be construed and operated as a contract as defined in the Indian Contract Act, 1872 and save as otherwise expressly provided herein shall be governed by the provisions of the said Act. Work order shall be governed by the terms and conditions as specified herein and HBL's General Conditions of Contract. In case any conflict between the terms and conditions given this order and those in the General Conditions of Contract, technical specification or other tender documents, the terms and conditions given herein shall prevail. Wherever, HBL has signed an agreement with the contractor, in the event of any conflict between the terms & conditions of the order and that in the agreement, the terms & conditions incorporated in the agreement shall prevail.

9. SAFETY REQUIREMENTS:

You shall follow all safety measures at site to make the work safe to your labour and to all third party materials and men at site. You shall keep all concerned indemnified for any lapses. You shall be solely and fully responsible for Safety violations and the consequences arising out of the same.

Safety clauses applicable to all contractors/ transporters/ suppliers/ any other kind of service provider to HBL:

- 91 The contractor shall abide by the safety standards with regard to "site services jobs", "design, supply & erection jobs" and " site electrical jobs" or, as the case may be.
- 92 The contractor shall visit the site and understand safety hazards and safety measures to be taken while executing jobs as per the scope of work and the actual site conditions before submitting the quotation.

- 93 The contractor shall comply with the company's present safety rules and regulation as well as with the new regulations issued by the company from time to time. By accepting this work order, the contractor undertakes that it fully aware of the safety norms and requirement for the job/ services to be executed by it and shall take all necessary steps in that regard. The contractor and its employees will put on all prescribed personal protective equipment (such as safety shoes, helmets, hand gloves, safety belts, safety goggles, gas mask and all other safety appliances etc.) while working inside the plant and also in its vicinity and such Personal Protective Equipment (PPEs) must be as per company's standard. The cost of the PPEs will be borne by the contractor and the same shall not be recovered from the employee. Any violation found will be dealt firmly by HBL.
- 94 The contractor shall be aware that his employees have to work in safety hazards in work site, as for example, presence of poisonous chemicals acid/ alkaline area simultaneous activities carried out by various agencies in a congested area etc. and plan and execute his work accordingly.
- 95 All requirements of safety such as coupling guards, belt, pulley and chain guards, screens and protection railings etc., shall be provided by the contractor for his erection equipment. Such guards shall have normally hinged cover for inspection.
- 96 Before taking up any job in hazardous areas, the concerned staff of the contractor and particularly their supervisors must attend the safety induction program of HBL. The contractor shall have to obtain a clearance/ prior permission from the operating department/ Head Safety before starting the work in a running plant/ pipe lines/ gas lines/ air lines/ water lines/ hazardous areas/ and for working on shutdown days etc. contractor shall keep the concerned departmental Head informed well in advance if the work is to be carried out on Sundays/ National holiday/ shutdown days or in night. Safety supervisor must talk and explain about the job hazard daily before starting the work and shall adopt the safety measures accordingly.
- 97 The contractor shall depute adequate number of supervisors for the complete supervision of the jobs, who are trained on safety aspects of the job. No person shall be deployed at work place/ site without safety induction training.
- 98 The contractor shall undertake full responsibility for safe execution of job at work place/site and safety of his personnel from the time he enters the Gates of HBL Works till the time he leaves the Works Gates after his duty. The contractor shall abide by and shall ensure 100% compliance of various statutory rules of the Government and Safety Rules and Regulations of HBL, being issued by the Government authority and HBL time to time in this regard, and/or as informed/ required by the engineer, in respect of all staff and labour engaged for the execution of the work at work place/site and shall provide all the facilities in connection therewith. The contractor shall ensure that necessary safety appliances are being used by his employees and workers working at site without which the employees and the workers shall not be permitted to work.
- 99 The contractor shall maintain tools, tackles and equipment for execution of the jobs as per company safety standard and should be of approved make only. However, the contractor shall ensure that the tools and tackles used for carrying out the jobs are safe to work with.
- 9.10 The contractor and its employees will not touch any other equipment or machine other than the machine equipment for which clearance is given/ visit other work sites other than clearance given for.
- 9.11 The contractor shall maintain the workplace in good & clean condition and shall ensure good housekeeping in the area of work.
- 9.12 The contractor shall depute a "key person" from his organization who shall (a) be fully responsible for safety of persons (b) ensure safety practices during the execution of the order. The contractor shall engage adequate number of skill/ unskilled labour and supervisor on the job to execute the

work in a safe way. The contractor's "Key Person" shall report to each shift Head at the start and end of the job and permit to work shall be taken from the shift head before starting the job. All work shall be executed as per the instruction of the HBL's representative.

10.0. STATUTORY & LEGAL REQUIREMENTS:

The contractor is entirely responsible for compliance under following applicable laws. The contractor must register under the Contract Labour (Regulation and Abolition) Act, 1970, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, ESI Act, 1948, A P Shops and Establishment Act, 1988 and Service Tax Rules. All statutory compliance viz. PF/ ESI/ Labour license shall be taken care by the contractor.

- a) Service Tax – The invoices for the services rendered shall indicate separately the value of taxable services, the service tax applicable thereon and education cess and shall contain particulars as prescribed in cenvat credit rules, 2004 for the purpose of availment of cenvat credit. If cenvat credit cannot be availed by HBL or the credit availed on the basis of such invoices is denied, then the contractor shall be responsible for compensating HBL with respect to the amount of Taxable charges as well as consequential charges i.e interest and penalty. In order to avail cenvat credit, service tax invoices should be submitted within 14 days of completion of services failing which service tax amount shall not be paid by HBL.
- b) The contractor must pay minimum rate of wages (that are in force) to the workmen. The contractor shall remit Provident Fund contributions within due date (ie. on or before 15th of every month) and Paid receipt cum challans and ECR/ Employee EPF pass book shall be submitted to the P&A every month. Reimbursement shall be made as per the paid documents.
- d) The contractor shall extend ESI provision to all his workmen and shall pay ESI contributions with in due date (i.e. before 21st of every month).
- e) The contractor must not employ Adolescents (Below 18 Years) or children (below 15 years).
- f) The contractor or his representative must present during work execution.
- g) The contractor shall maintain attendance register/ wage register as per Contract Labour act (R&A) 1970 Act. Every workmen and supervisor deployed by the contractor must carry identity card while on duty in the factory and shall be advised and ensured that workmen shall record their attendance at the gate while coming for duty and leaving from duty.
- h) The contractor shall comply with all applicable provisions of Factories act, 1948.

11.0 Temporary Suspension and Cancellation or Termination of Contract:

11.1 Temporary Suspension: HBL may at any time temporarily stop the work being executed under the contract or any part thereof by notice in writing to the contractor. All work so stopped shall be resumed by the contractor based on a schedule to be mutually agreed upon between HBL and the contractor.

11.2 HBL will not pay the contractor for any supply/ work, which is executed during such suspension, and HBL shall not be liable to the contractor for any damages or loss caused by such suspension of work.

11.3 Cancellation or Termination of Contract: Without prejudice to clauses concerning Force Majeure and Arbitration hereof and to any other remedy available, HBL at its option may cancel the contract at any time by simple written notice to the contractor in case of Contractor's non-compliance with and has breached its undertakings under the contract/ order and more specifically in case any of the following circumstances occurs:

- a) Unjustified interruption of contractual services by the contractor including delays and/or failure to maintain delivery schedule of plant and equipment, designs and drawings and other supplies or completion of work as agreed to.
- b) Errors, negligence, insufficiencies in the contractual work under execution or failure to supply required materials as per specification or manpower or in other similar circumstances affecting the quality of work for reason attributable to the contractor.
- c) If the contractor refuses to implement instructions received from HBL or the Engineer within the stipulations of the contract/ order.
- d) Where the contractor is declared in liquidation or bankruptcy or is involved in similar proceedings or has been implicated repeatedly in litigation or may have entered into or transfers with his creditors or others, which might compromise the contractor's solvency.

11.4 In any of the cases described above, HBL shall inform the contractor of its decision to cancel the contract/ order or to terminate the contractor's services, in whole or part under it, specifying in such notice the reason or the basis for this decision. The contractor shall within fifteen (15) days from the above notice of default, correct such default or satisfy HBL regarding the action taken by him for the corrective action, failing which HBL at his option will cancel the contract/ order forthwith. On such an event the contractor shall immediately stop all work in connection with the contract/ order, except as directed by the HBL. In such case, HBL shall be at liberty to contract with other parties or to perform with his own personnel those supplies/ services undertaken by the contractor in the contract/ order. In such case, the contractor shall be liable for any additional costs incurred by HBL for obtaining and/ correcting the balance job/ work. In case of termination of part of the contract/ order, the contractor will continue performance of the contract/ order to the extent not terminated by the HBL.

11.5 HBL shall be at liberty to terminate this contract or any order issued in pursuance to this contract without assigning any reason by serving 15 days written notice to the contractor. In such an event the contractor shall not be entitled for any compensation from HBL.

11.6 Force Majeure - If at any time during the validity/ currency of this order the performance by either party under this order is prevented by reasons of any declared war, hostility, acts of the public or enemy, civil commotion, sabotage, fire, flood, earthquake, cyclone, explosion, epidemic, quarantine restrictions or other acts of God, (hereinafter referred to as 'eventuality') then written notice of the happening of any such eventuality is served by either party to the other within fifteen (15) days from the date of occurrence of such eventuality, thereof. Neither party shall, by reason of such eventuality be entitled to terminate this order, nor shall either party have any claim for damages against the other in respect of such non-performance and the work under this order.

The work/ job shall be resumed as soon as practicable after such eventuality has come to an end or ceased to exist. Under such circumstances the contractual delivery period shall be extended by a period equal to that during which such eventuality operated plus an additional period, if any, as may be considered reasonable, mutually by HBL and Contractor. Whether the eventuality has come to an end or ceased to exist will be deliberated and mutually settled.

Should one or both parties be prevented from fulfilling their contractual obligations by a state of force majeure lasting continuously for a period of at least three (3) months, both the parties shall consult each other regarding the further implementation of the order, provided always that, if no mutually agreed arrangement is arrived at within a period of one (1) month from the expiry of the three (3) months referred to above, the order shall be deemed to have expired at the end of the said three (3) months referred to above. The above-mentioned expiry of the order will imply that both the parties have the obligation to reach an Agreement regarding the closing of the work order/ contract and financial settlement of the order.

12. Queries:

The Supplier/Contractor may contact us at our E-Mail as mentioned in the Order or may contact at contact@hbl.in Or, Call @ Tel Nos.040-66167777 for any query or assistance.