

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Definitions :

The following capitalized terms shall have the meaning set out below:

- GTCP means the following General Terms and Conditions of Purchase.
- The Buyer means KANCOR INGREDIENTS LTD or any of its subsidiaries.
- The Supplier means any company to whom a purchase order is sent by Buyer.
- Products means the products and/or services to be supplied or performed by the Supplier as per the purchase order issued by the Buyer.
- Information means commercial, financial, technical and/or scientific information whatsoever disclosed by the Buyer to the Supplier in connection with a purchase order and its performance, including but not limited to technical specifications, formulae, samples, methods and know-how.
- Party(ies) means the collective or individual designation of the Buyer and the Seller.

2. Application of the GTCP

The GTCP apply to any purchase of Products from the Buyer to the Supplier. In the event of inconsistency, the terms and conditions of the Buyer's purchase order shall prevail over the GTCP.

No condition or reservation issued by the Supplier including those mentioned on its general terms and conditions of sale, on the order acknowledgement or on any other document issued by the Supplier shall have precedence over the GTCP, unless agreed in writing by the Buyer.

3. Purchase orders

Any Product supply is subject to the prior order in writing from the Buyer. The Supplier's acceptance of the order shall imply the Supplier's agreement to the GTCP and to any specific terms and conditions mentioned in the purchase order.

The Supplier shall accept the purchase order by way of a written confirmation within a maximum of 3 (three) working days as from its dispatch date. Once this time has elapsed, a purchase order placed with the Supplier is deemed accepted by the latter. Notwithstanding the foregoing, the Buyer reserves the right to cancel any unconfirmed order or any order confirmed subsequent to the above mentioned time.

Any amendment to the purchase order and to the specific terms and conditions in the purchase order shall be subject to the Buyer's prior written consent.

4. Changes

Any order change requested by the Buyer which causes an increase or decrease in the order price shall result in the issuance by the Supplier of a corrective quotation which must be accepted by the Buyer prior to any implementation of the requested change. During the performance of the order, the Supplier shall make any Product change or adjustment requested by the Buyer.

5. Price

The prices stated in the purchase order are deemed to have been agreed between the Supplier and the Buyer and are fixed and firm, and cannot be modified without the prior written consent of the Buyer. Unless otherwise agreed, prices are "Delivered Duty Paid" – DDP (Incoterms - ICC 2010) at the agreed place of delivery and include all costs necessary to the supply of the Products and in particular packaging, packing, transportation, customs duties, taxes, insurance and any charges related to the performance of the order.

6. Invoicing and payment

Invoices shall be issued in triplicate upon delivery of the Products and shall be sent by express mail at the invoicing address specified in the purchase order. Each invoice must bear the order number, the delivery note references, the Product identification and the lot/batch number, and include all the compulsory mentions.

Subject to the acceptance of the Products by the Buyer, invoices are paid as per the payment terms of the purchase order and in the absence of such stipulations, 60 (sixty) days as from the invoicing date by bank transfer in US dollars for imports to India and Indian Rupees for purchases in India.

Payment of an invoice by the Buyer does not imply its acceptance of the Products nor shall it restrict any rights the Buyer may have.

7. Delivery Dates

Notwithstanding anything to the contrary, the delivery lead times specified in the order are of the essence and are deemed agreed between the Parties. They can be amended upon prior written acceptance of the Buyer only. The Supplier shall notify any delay to the Buyer as soon as such delay becomes foreseeable, stating the reasons for such delay and the duration thereof. In the event of any delay in delivery, the Buyer reserves the right to cancel the order, at the Supplier's fault, without any other formality and without prejudice to the right to claim damages. Any delay in delivery will result in a penalty amounting to 0,5% of the amount of the late Products (VAT excluded) per day of delay, up to 10% of the total price of the order.

8. Delivery, Packing and Labelling

The Products are delivered as per the terms specified in the order and at the location indicated in the order. For Products that are services, any service timeline, service levels, deadlines, or other specified terms or conditions shall be included in the relevant order.

The Supplier shall comply with the Buyer's delivery instructions and provide the Buyer with the certificate of compliance of the Products and the delivery note.

Except otherwise stated in the purchase order by way of an Incoterm, the Supplier shall deliver the Products DDP [Delivered Duty Paid] (Incoterms ICC 2010).

The transportation of hazardous goods, and any associated declaration, must be made in compliance with the regulations in force.

The Products must be packed and secured in such a manner that they are protected against deterioration during transit and storage. The packaging and labels shall comply with the legislation in force and contain the product name, the net weight, the gross weight, the batch/lot number, the manufacturing date, the shelf life of the Product and all necessary documentation, technical specifications and certificates including any information required by the purchase order.

The Buyer is entitled to reject the goods in the event of non-conformity of packaging, labelling or transport documents, without prejudice to any damages that the Buyer may claim. The Supplier is liable for any damage caused directly or indirectly by a defective or inappropriate packaging or labelling.

9. Reception and non-conformity of the Products

The Buyer reserves the right to reject the Products that do not conform to the order or to any technical specifications, samples or any other applicable document, quality standard, service levels, or regulation in force, either upon delivery or subsequently to the delivery, after inspection and control of the Products by the Buyer.

The Products thus rejected by the Buyer shall be collected by the Supplier, at its own risks and expenses, within 8 (eight) days from the notification of rejection. Thereupon, the Buyer is entitled, without incurring any liability of any kind, to have the Products removed, by any means at its own discretion, at the Supplier's expenses and risks. In the absence of technical and/or commercial agreement on the Products rejected by the Buyer for non-conformity due to contradictory results of analysis, the Buyer's methods of analysis shall prevail over those of the Supplier.

Should the Buyer reject the non-conforming Products as mentioned above, the payment of such non-conforming Products is not due and the Buyer can, at its own discretion and without prejudice to any other right or action the Buyer may have, demand that the Supplier replace the Products or make the Products conform as well as make any action or adjustment necessary for the full completion of the order. The Supplier shall bear all costs resulting from the non-conformity of the Products (reprocessing, destruction ...)

The inspected Products, even if declared conform or, in the case of services, even if they went through an acceptance procedure without any reservations, remain warranted in accordance with article 13. The acceptance of the Products by the Buyer shall not relieve the Supplier from its liability in this respect.

10. Transfer of title and risks

Notwithstanding any provision to the contrary contained in the documents issued by the Supplier, title to the Products shall pass to the Buyer upon due delivery of the Products. The risks of loss or damage to the Products shall pass to the Buyer upon delivery of the Products at the Buyer's premises and after the unloading, notwithstanding any arrangement between the Parties in respect of transport conditions and payment.

11. Implemented Means

The Supplier shall provide all necessary material means and human resources for the supply of the Products. The Supplier shall be solely responsible for its personnel and for the material means used for the performance of the order. The Supplier shall ensure custody and care for the goods entrusted by the Buyer for the execution of the order. In the event of on site order performance or delivery, the Supplier undertakes to comply with the Buyer's rules as well as with any security and safety instructions transmitted by the Buyer.

12. Quality

The Supplier undertakes that the Products comply with the requirements of the quality standards mentioned by the Buyer and with the Buyer's Quality System.

The Supplier undertakes to ensure the traceability of the Products and to comply with the traceability requirements provided by the Buyer.

13. Warranty

Without prejudice to the application of the legal warranty, the Supplier contractually warrants that the Products:

- comply with the order, the technical specifications and any other applicable documents or samples provided by the Buyer or agreed between the Parties;
- comply with the state of the art and the state of technology;
- are free from any apparent or latent defect or from any defect in design, material, workmanship or operation;
- are fit for the purpose intended by the Buyer and suitable for the Buyer's needs and requirements.

This warranty runs for a duration of 12 (twelve) months as from the reception of the Products by the Buyer or for the duration offered by the Supplier if such a duration is above 12 (twelve) months.

The contractual warranty consists of, at the Buyer's discretion, either replace or repair the Products at the Supplier's expense or reimburse the Products to the Buyer. In both cases, the Supplier shall bear all costs resulting from the Products' defect, without prejudice to any right or action that the Buyer may have.

Furthermore, the Supplier warrants to the Buyer for an unlimited period of time that the Products are supplied in strict compliance with the REACH regulation n° 1907/2006 and more generally with any and all applicable law, standard or regulation.

14. Liability and Insurance

The Supplier shall be liable for any damages of any kind caused to the Buyer, the Buyer's personnel and to any third party as well as to their properties, arising out of the performance of the order and resulting from any act of the Supplier, its personnel, its subcontractors or its material or caused directly or indirectly by the Products. The Supplier shall indemnify and hold the Buyer harmless against any demand, action or claim in respect thereof.

The Supplier must take out and maintain, with underwriters commonly known as solvent, insurance policies covering its civil liability (Professional and Product after delivery) against any direct, indirect, material, intangible and body damages, for a sufficient amount of coverage.

The Supplier shall be able to provide evidence thereof at any time upon the Buyer's request.

15. Termination

If the Supplier fails to perform any of its obligations under the order or the GTCP, the Buyer is automatically entitled to terminate the order at the Supplier's fault, after giving formal notice and provided such non performance was not remedied within 8 (eight) days.

Termination of the order shall be without prejudice to the Buyer's right to claim damages for any damage resulting from the Supplier's breach.

The Buyer reserves the right to substitute itself for the Supplier or to substitute a third party for the Supplier in the performance of whole or part of the order not fulfilled in time, at the Supplier's expense.

16. Intellectual Property

The Products and any use thereof shall not infringe third parties' intellectual property rights, and in particular patents, trademarks, copyright, design, know-how, and the Supplier shall defend, indemnify and hold harmless the Buyer against any and all third party demand, action, claim, damages, expenses and costs in respect thereof.

Any improvement or process invention resulting from any information disclosed by the Buyer and/or from the Buyer's order shall not be patented by the Supplier.

The Supplier grants to the Buyer all the intellectual property rights necessary to use the ordered Products or to commercially utilize the results arising from the Products. The Buyer acquires the intellectual property rights of any Product specifically developed on its behalf by the Supplier.

17. Confidentiality

The order and the Information shall be considered strictly confidential by the Supplier. The Supplier undertakes to hold the order and the Information in confidence and not to disclose the same to third parties nor to use the same for any purpose other than the performance of the order. The Supplier shall limit the disclosure of the Information to its own employees on a "need to know" basis.

This confidentiality obligation shall remain applicable for an unlimited period of time.

18. Force Majeure

Neither Party shall be held liable towards the other Party for non-performance or delayed performance of either of its obligations insofar as it is due to the occurrence of unforeseen circumstances, and external causes beyond its control, through no fault of its own. Should the Supplier's compliance with the GTCP be affected by such a cause, the Supplier shall promptly notify the Buyer of such impossibility of performance. If such non-performance continues in effect for more than a month, the Buyer is entitled to terminate the related orders. However, in no event shall the Supplier's performance be excused hereunder if reasonable alternate methods, subcontractors or sources of Product are available to the Supplier.

19. Hardship

Only cases of exceptional change of economic circumstances unforeseeable at the time the order was concluded, where such change affects substantially the balance of the order, and makes such order's execution extremely harmful for the Party that had not accepted to bear such risks of harm, such change shall be deemed an "Unpredictable Event". The Party claiming the Unpredictable Event shall promptly notify the other Party in writing providing evidence that reasonably evinces the reality of such Unpredictable Event. Provided the Unpredictable Event is duly acknowledged by the other Party, the Parties undertake to renegotiate the affected order in good faith and formalize the result of such renegotiation in writing within 15 days from the receipt of the notification of such Unpredictable Event, and such order shall be automatically terminated should the Parties fail to successfully renegotiate it.

20. Correspondence

Any correspondence relating to the order shall be sent to the Buyer's Purchasing Department and marked for the attention of the contact person designated in the purchase order.

21. Assignment and subcontracting

The Supplier shall not assign, transfer or subcontract the order in whole or in part and the obligations that result therefrom without the prior written consent of the Buyer. In the event of an authorized subcontracting, the Supplier remains solely liable to the Buyer for the performance of the contract.

22. Miscellaneous

Failure by the Buyer to exercise any of its rights shall not be deemed to be a waiver of any such right in the future.

If any of the provisions contained in these GTCP shall be illegal or unenforceable for any cause or reason whatsoever, such illegality or unenforceability shall not affect the other provisions hereof.

23. Languages

In the event of any conflict between the English version of the GTCP and any translation into another language, the English version shall control.

24. Applicable Law and jurisdiction

The GTCP and any order placed hereunder are governed by French laws. Any dispute arising out of or in connection with the execution and/or interpretation of the GTCP or the order, which cannot be resolved amicably, shall be subject to the jurisdiction of the Courts of Nice (France).