

Purchase Order – Terms and Conditions KRAMSKI Lanka

Each Purchase Order placed by KRAMSKI Lanka for goods and/or services is subject to these standard purchase terms and the terms of the applicable Purchase Order and is conditional upon Supplier's agreement to such terms. Supplier shall be deemed to have agreed to be bound by such terms by accepting the Purchase Order, receiving an advance, delivering the goods, and/or performing the services.

1. Transmitted Purchase Order Documents

These Terms and Conditions apply to all Purchase Order Documents transmitted by KRAMSKI Lanka to the Supplier except where otherwise stated in the Purchase Order Documents.

2. Definitions

The following words, except where the context requires otherwise, have the following meanings:

"Agreement":

Means the agreement between Supplier and KRAMSKI Lanka for the purchase and sale of Goods and/or Services.

"Deliverables":

Means all products or services or products and services to be supplied by the Supplier to KRAMSKI Lanka as specified in a Purchase Order.

"Delivery Date":

Means and refers to the date of delivery for Goods or performance of Services as specified in the Purchase Order.

"Delivery Point":

Means and refers to the location identified by KRAMSKI Lanka in the Purchase Order to which the Supplier should deliver the Goods and/or perform the services, or such other delivery area or point which is specified in writing by KRAMSKI Lanka.

"Intellectual Property Rights":

Means all intellectual and industrial property rights and rights of a similar nature including all rights in and to, patents including all issued patents and pending applications therefore and patents which may be issued therefrom (including divisions, reissues, re-examinations, continuations and continuations-in-part); trade-marks; copyrights; industrial design rights; rights pertaining to trade secrets and confidential information; publicity rights; personality rights; moral rights; and other intellectual property rights whether registered or not and all applications, registrations, renewals and extensions pertaining to the foregoing.

"KRAMSKI Lanka":

Means KRAMSKI LANKA (PRIVATE) LIMITED, a Company duly incorporated under the Companies Act No.7 of 2007 bearing company registration number PV4155 and having its registered office at Lot B 1, Phase III, Katunayake, Sri Lanka.

"Purchase Order":

Means the purchase order between KRAMSKI Lanka and Supplier for the purchase and sale of Goods and/or Services, to which these Standard Purchase Terms are attached or are incorporated by reference.

"Purchase Order Documents":

Means the Purchase Order, these Terms and Conditions, any Agreement for the purchase of the Deliverables by KRAMSKI Lanka from the Supplier, supplier proposal, specification and all documents attached to the Purchase Order Documents or incorporated by reference into the Purchase Order Documents.

"Specifications":

Means the requirements, attributes and specifications for the Goods and/or Services that are set out in the applicable Purchase Order and/or Supplier proposal. Specifications also include: (a) documentation published by Supplier relating to the Goods and/or Services; (b) operational and technical features and functionality of the Goods and/or Services; (c) standards or levels of service performance for Services; and (d) KRAMSKI Lanka business requirements that are expressly set out in the Purchase Order.

"Supplier":

Means the person, firm or corporation from whom the Deliverables are being purchased pursuant to a Purchase Order.

"Supplier Proposal":

Means any acknowledgement, estimate, quote, offer to sell, invoice, or proposal of Supplier relating to the supply of Goods and/or Services to KRAMSKI Lanka, including any delivered samples in

connection with a request for quotations, request for proposal or similar process initiated by KRAMSKI Lanka.

“Warranty Period”:

Means in respect of any Goods and/or Services, the standard or the express written warranty period provided by Supplier for the Goods and/or Services commencing on the date of Acceptance of such Goods and/or Services and ending accordingly. The standard warranty period is two (2) years unless otherwise limited or agreed upon for a specific product or a service. The warranty period starts from the day KRAMSKI Lanka receives the product and/or the service is completed.

3. Agreement

A Purchase Order, when properly given by a person with actual or ostensible authority and bearing an order number, is the only form which will be recognized by KRAMSKI Lanka as authority for charging Deliverables to its account with the Supplier and supersedes all previous communications and negotiations.

The Purchase Order Documents constitute the entire agreement between KRAMSKI Lanka and the Supplier.

No terms stated by the Supplier in responding to a request for proposal, providing a quote or accepting or acknowledging a Purchase Order will be binding upon KRAMSKI Lanka unless accepted in writing by KRAMSKI Lanka.

4. Quantity

The quantity of Deliverables delivered must not be greater or less than the amount specified in a Purchase Order unless amended by KRAMSKI Lanka in writing.

5. Inspection in Progress

The Supplier agrees that KRAMSKI Lanka or its designated agent will have the right of inspection of all work contained in the Purchase Order Documents at any time and during any stage of engineering, manufacturing or installation. The Supplier will make this a condition of any sub-contracted work. KRAMSKI Lanka or its designated agent will have the power to reject any work performed or being performed that does not conform to the Purchase Order, whereupon the work rejected will be redone at no additional cost to KRAMSKI Lanka. Any such inspection or any lack of such inspection does not relieve the Supplier of any obligations contained in the Purchase Order Documents.

6. Payment Terms

Prices for the Goods and/or Services will be set out in the applicable Order. Price increases or charges not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by KRAMSKI Lanka. Supplier will issue all invoices on a timely basis. All invoices delivered by Supplier must meet KRAMSKI Lanka’s requirements and shall reference the applicable Purchase Order. Unless otherwise specified in the Purchase Order, the payments will be in accordance with KRAMSKI Lanka's standard payment terms of net 45 days from the date of receipt of the invoice. KRAMSKI Lanka will pay the undisputed portion of properly rendered invoices as per the standard payment terms or the payment terms specified in the Purchase Order. KRAMSKI Lanka shall have the right to withhold payment of any invoiced amounts that are disputed in good faith until the parties reach an agreement with respect to such disputed amounts and such withholding of disputed amounts shall not be deemed a breach of this Agreement nor shall any interest be charged on such amounts. Notwithstanding the foregoing, KRAMSKI Lanka agrees to pay the balance of the undisputed amounts on any invoice that is the subject of any dispute within the time periods specified herein.

7. Invoices

Invoices may only be rendered on or after delivery of the relevant Deliverables and must show the Purchase Order number, item number and the name of the site or other location to which the Deliverables were delivered or shipped and be accompanied by evidence of delivery. If any sales tax, duty, excise or other similar tax or charge, for which KRAMSKI Lanka has not furnished or agreed to furnish an exemption certificate, is applicable to a Purchase Order, it must be stated separately on the invoice.

8. Contract Items

If there is any conflict or inconsistency between the provisions of the Purchase Order Documents, the following order of precedence will be applied:

1. Any Agreement for the purchase of the Deliverables by KRAMSKI Lanka from the Supplier.
2. The Purchase Order;
3. These Purchase Order Terms and Conditions

9. Cancellation for Default

In the event of a breach by the Supplier of any of the terms of the Purchase Order Documents, including any of the Supplier's warranties, KRAMSKI Lanka may at its option and without prejudice to any of its other rights, cancel the Purchase Order with respect to any undelivered Deliverables and the Supplier will not be entitled to any compensation in respect of such cancellation.

The Supplier shall be liable to reimburse any advance payments made (if any) and give compensation to KRAMSKI Lanka at any time for any and all expenses, damages or liabilities (inability) incurred, including legal service fees and other expenses incurred by KRAMSKI Lanka as a result of the Supplier's violation of the terms and conditions of the Purchase Order.

10. Cancellation

KRAMSKI Lanka may at its option cancel a Purchase Order, or any part of a Purchase Order, with respect to any undelivered Deliverables, and in such case unless clause 9 applies, the following provisions will apply.

- a) Upon cancellation, KRAMSKI Lanka's obligation will be to pay only for Deliverables delivered prior to the cancellation and accepted by KRAMSKI Lanka
- b) Upon receipt of notice of cancellation, the Supplier must cease manufacturing and supply of work to the extent not commenced, and to the extent commenced must immediately stop all further work and do everything possible to mitigate any cost incurred by it consequent upon such cancellation. In such case KRAMSKI Lanka will pay to the Supplier any expenditure reasonably and justifiably incurred by the Supplier prior to date of cancellation and which has not been otherwise recouped by the Supplier

11. Warranty

The Supplier warrants that the Deliverables will conform to its description in the Purchase Order Documents and any applicable specifications and will be of good and merchantable quality, free from defects in material and workmanship and fit for the purpose for which it is sold (if known to the Supplier) or for which such Deliverables are normally sold (in any other case). This warranty is in addition to and not to the exclusion of any warranty or service guarantee stated in the Purchase Order Documents or implied by law.

12. Intellectual Property

The Supplier warrants that the sale or use of the Deliverables will not infringe or contribute to the infringement of any patents, trademarks or copyrights in either Sri Lanka or any foreign country. The Supplier indemnifies KRAMSKI Lanka against any loss or damage (including solicitor's fees and other costs of defending an action) arising from breach of this warranty. This indemnity will continue notwithstanding any cancellation of a Purchase Order or termination of any or all of the Purchase Order Documents.

13. Supplier's Title

The Supplier warrants that the Deliverables are free and clear of all liens and encumbrances and that the Supplier has and will give KRAMSKI Lanka good and valid title to it.

14. Transportation and Delivery

KRAMSKI Lanka's standard delivery terms are Delivered Duty Paid (DDP) or as specified in the Purchase Order Documents.

All Deliverables must be packed, marked and transported as specified in the Purchase Order Documents but if not specified, then in a proper and suitable manner.

All Deliverables must be accompanied by the necessary shipping documents (including, without limitation, any export licenses, certificates of origin or permits) and by a delivery note which precisely details the Deliverables and quotes the Purchase Order number and any other information that KRAMSKI Lanka requires and notifies to the Supplier.

KRAMSKI Lanka and the Supplier will assist each other in obtaining documents and other information desirable for the prosecution of claims against carriers.

Title and risk of loss or damage shall pass to KRAMSKI Lanka upon receipt of Goods at the Delivery Point, unless otherwise agreed to by KRAMSKI Lanka in writing. KRAMSKI Lanka has no obligation to obtain insurance while Goods are in transit from Supplier to the Delivery Point.

In the event of late delivery of deliverables, the Supplier shall pay, by way of liquidated damages, a sum equal to 5% of the total value of the relevant purchase order under which the deliverables have been ordered for each week that is delayed beyond the agreed delivery date.

15. Defective Deliverables

All Deliverables received by KRAMSKI Lanka are received subject to KRAMSKI Lanka's right of inspection within a reasonable time after arrival at Place of Delivery. If upon inspection any Deliverables are found to be unsatisfactory, defective or of inferior quality or workmanship or fail to meet the specifications, warranties or any other requirements of the Purchase Order Documents (Defective Deliverables), KRAMSKI Lanka may return such Defective Deliverables to the Supplier at the Supplier's risk and expense. KRAMSKI Lanka may withhold payment for Defective Deliverables. Payment for Deliverables prior to inspection will not be construed to be an acceptance of Defective Deliverables. Upon return or disposal of any Defective Deliverables, the Supplier must reimburse KRAMSKI Lanka for:

- a) Any amounts paid by KRAMSKI Lanka on account of the purchase price of the Defective Deliverables;
- b) Any cost incurred by KRAMSKI Lanka in connection with the delivery or return of such Deliverables; and
- c) 10 (Ten) percent of the invoice value or actual disposal cost whichever is higher if the disposal of the defective deliverables is to be carried out by KRAMSKI Lanka where applicable.

Without prejudice to any other remedy, should KRAMSKI Lanka require the Supplier to dispatch Deliverables to replace any Defective Deliverables, the Supplier will do so within 24 hours of notification by KRAMSKI Lanka.

16. Services or work to be carried out

The following conditions will also apply where the Supplier provides services and/or where the Purchase Order Documents require either specifically or by implication the presence of the Supplier or its employees, servants or agents on KRAMSKI Lanka's premises:

- a) KRAMSKI Lanka relies on the Supplier's skill and the Supplier warrants that all work will be performed in a workmanlike manner.
- b) If any of the work or materials is found by KRAMSKI Lanka to be defective or not in compliance with the Purchase Order Documents and the Supplier on request of KRAMSKI Lanka fails to remedy any defect or default to the satisfaction of KRAMSKI Lanka the same may be remedied by KRAMSKI Lanka at the cost of the Supplier.
- c) The Supplier must supply all labor, tools, equipment and materials necessary to complete the work.
- d) The Supplier must use his best endeavors not to impede or interfere with other work in progress on KRAMSKI Lanka's premises.
- e) The Supplier, its employees, servants and agents enter KRAMSKI Lanka's premises at their own risk and will also be liable for and indemnify KRAMSKI Lanka against any loss, damage, claims or liability arising directly or indirectly out of the performance of the work or presence on KRAMSKI Lanka's premises, including claims against KRAMSKI Lanka whether alleging negligence of KRAMSKI Lanka or otherwise.
- f) The Supplier must at its own expense obtain all requisite licenses and permits and comply with all laws and regulations in connection with the work or installation of the Deliverables.
- g) The Supplier, its employees, servants and agents and sub-contractors must comply with the work, health, safety and environment policies and regulations of KRAMSKI Lanka and with the reasonable directions and orders of KRAMSKI Lanka, its employees and authorized officers.
- h) Standard working Time period for service: Monday-Friday 8.00 a.m.-5.00 p.m.
- i) The Supplier must not sub-contract or assign the work or any part of the work without KRAMSKI Lanka's prior written consent.

17. Hazardous Materials

The Supplier must comply with all applicable environment, occupational health and safety laws and the KRAMSKI Lanka's safety and other applicable policies. The Supplier shall provide KRAMSKI Lanka with a complete list of all chemicals, hazardous materials, and ingredients in the composition of goods used in the performance of the Services and a copy of the material safety data sheet for such chemicals and hazardous materials. The submission of such list by the Supplier shall not relieve the Supplier of exclusive responsibility for the safe transportation, use, storage and disposal of such materials prior to acceptance by KRAMSKI Lanka. All chemicals and hazardous materials brought by the Supplier to KRAMSKI Lanka premises shall bear a label stating the identity of the chemical of material and the hazards associated therewith.

18. Indemnity

In addition to any other right conferred on KRAMSKI Lanka under the Purchase Order Documents or by law, the Supplier releases and indemnifies KRAMSKI Lanka against all loss, liability, damages, costs (including reasonable legal costs) and expenses incurred by KRAMSKI Lanka arising from any:

- a) Breach of the Purchase Order Documents by the Supplier;
- b) Personal injury to the employees, servants, agents or subcontractors of the Supplier; or
- c) Damage to property caused by the Supplier's employees, servants, agents or subcontractors, except to the extent that it is caused by KRAMSKI Lanka.

This indemnity includes (without limitation) liability incurred under the Consumer Protection Law where any Deliverables supplied by KRAMSKI Lanka (whether directly or indirectly) to a consumer fail to comply with the guarantees contained in that legislation due to:

- a) Any defect in the Deliverables that are Deliverables supplied by the Supplier to KRAMSKI Lanka; or
- b) Any representations (whether written or verbal) made by the Supplier or any of its employees or agents in relation to the Deliverables that are Deliverables supplied (including any representations made on any packaging or Deliverables information and any representation as to the fitness for purpose of the Deliverables); or
- c) Failure by the Supplier to provide any Deliverables information which should reasonably have been supplied to KRAMSKI Lanka.

19. Insurances

Supplier represents and warrants to KRAMSKI Lanka that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier of goods and services similar to the Goods and Services provided hereunder, including, as applicable, professional errors and omissions liability insurance and comprehensive commercial general liability insurance (including product liability coverage, all-risk contractors' equipment insurance, and automobile liability insurance). In addition, Supplier will take out and maintain, at its own cost, such insurance policies and coverages as may be reasonably required by KRAMSKI Lanka from time to time. Supplier will promptly deliver to KRAMSKI Lanka, as and when requested, written proof of such insurance.

20. Waiver

No waiver of any breach of, or failure to enforce any provision of, the Purchase Order Documents at any time by any party shall in any way limit the right of such party thereafter to enforce and compel strict compliance with the provisions of the Purchase Order Documents.

21. Severability

If any provision of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part thereof and all other provisions shall continue in full force and effect.

22. Governing law and Jurisdiction

The Purchase Order Documents are governed by and construed in accordance with the laws of Democratic Socialist Republic of Sri Lanka. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.