

General Terms and Conditions of Purchase of Material & Spare Parts.

These General Terms & Conditions of Purchase (“General Terms/ these Terms”) shall be incorporated and form an integral part of each contract between The Hi- Tech Gears Canada Inc., an Ontario Corporation (“THGCA/BUYER”) and SUPPLIER (“SUPPLIER/SELLER”) for the purchase and supply of certain Material, Equipment, Machine (‘Goods’). Unless specifically agreed in writing, any terms and conditions proposed by the SUPPLIER which are in addition to or are different from these Terms are expressly rejected by THGCA and shall not form part of the contract. The SUPPLIER agrees that commencement of any work or services under this contract or its written acceptance shall constitute SUPPLIER’S acceptance of these terms and conditions.

THGCA and SUPPLIER shall collectively be referred to as “Parties” and individually as “Party”.

1. GOODS

- 1.1 SUPPLIER agrees to accept periodic THGCA Purchase Orders (individual or blanket) and Releases for the Goods which will set forth the THGCA part number, quantity, and delivery location, pricing, schedule for the ordered Goods and other conditions.
- 1.2 SUPPLIER shall ensure that all Goods conform and remain current with all THGCA requirements and specifications made available to SUPPLIER from time to time.
- 1.3 Unless specifically mutually agreed or provided in POs, Goods specification are agreed as per Annexure A.

2. PRICING

- 2.1 SUPPLIER shall sell and supply the Goods to THGCA in accordance with the agreed Product pricing set forth in respective THGCA Purchase Orders (‘PO’) released and amended from time-to-time. The agreed pricing is firm and fixed.
- 2.2 SUPPLIER shall be solely responsible for cost fluctuations, unless agreed specifically.
- 2.3 SUPPLIER will be responsible for paying (i) any and all taxes levied by any governmental authority on SUPPLIER’S income resulting from the sale of the Goods to THGCA and (ii) any and all duties, taxes, and tariffs (including sales, use, GST, value-added or similar taxes) levied on SUPPLIER. THGCA shall only be responsible for paying duties, taxes, and tariffs levied on the Goods by any governmental authority as a result of a sale and delivery of the Goods under these Terms, unless specifically agreed. SUPPLIER shall be responsible for taking necessary registration as may be required under the applicable laws from time to time.

- 2.4 In the event if THGCA requests functional changes to the existing Goods supplied by SUPPLIER, and such changes result in corresponding engineering changes to the Goods, SUPPLIER will intimate THGCA about the time and commercial impact, if any. Both parties agree to abide by the price as confirmed upon mutual agreement.
- 2.5 SUPPLIER agrees that the serial production and supplies of Goods are in accordance with the award of program/project by THGCA'S Customer (Customer') and the duration of the program/ project is according to discretion of such Customer. In case of withdrawal/ termination/ expiry of such award, THGCA shall not be responsible for purchase of agreed Goods.
- 2.6 SUPPLIER and THGCA to set an annual cost reduction target as per each project(s)/product(s), unless agreed specifically. Further SUPPLIER to achieve and maintain the target despite any additional costs.
- 2.7 SUPPLIER agrees to work proactively and cooperatively with THGCA to identify specific projects and schedules for reducing SUPPLIER'S manufacturing and Product costs.
- 2.8 SUPPLIER shall provide market-competitive pricing. If THGCA identifies alternative Suppliers for the Product(s) which offer more competitive pricing, SUPPLIER will have first right of refusal with thirty (30) days to match or counter the competing offer for the applicable Goods. THGCA will utilize only a bona fide commercial offering price for substantially equivalent Goods, in comparable quantities, under similar terms and conditions to assess the market competitiveness of SUPPLIER.

If SUPPLIER is unable to meet the competitive quotes THGCA shall have the right to terminate the P.O in full or in parts.

3. TOOLING AND EQUIPMENT.

- 3.1 SUPPLIER shall maintain, repair and replace, at its own expense, all tooling, gauging and facilities necessary for the Goods. SUPPLIER agrees to keep all such tooling, gauging and facilities in good working order and condition, in accordance with industry standards, fully covered (replacement value and cost) by insurance and free from liens and other encumbrances. SUPPLIER to maintain all documents for tooling, gauging and calibration and provide the copy to THGCA whenever requested.
- 3.2 SUPPLIER shall not use his unique tooling, or tooling otherwise funded in whole or in part by THGCA, to manufacture, recondition or repair Goods except for sale to THGCA or to a third party approved by THGCA.
- 3.3 THGCA shall retain all rights to drawings, engineering instructions, specifications and other data furnished to SUPPLIER by THGCA, and no such drawing, engineering instructions, specifications or other data shall, without written permission by THGCA, be reproduced or used in any way except for the benefit of THGCA. All such drawings, instructions, specifications and data will

be returned to THGCA immediately either upon request or upon the expiration or termination of these Terms or completion of supply.

4. PAYMENT

- 4.1 Unless specifically agreed otherwise in the P.O, the payment shall be made pursuant to SUPPLIER'S invoice, upon delivery of the goods and upon receipt of a proper verifiable delivery & required documents within sixty (60) days thereafter.
- 4.2 Unless otherwise agreed in PO, the term of delivery shall be duty delivered at Toronto port.
- 4.3 SUPPLIER shall promptly invoice THGCA upon delivery of the Goods, unless otherwise stated on an applicable THGCA PO or Release.
- 4.4 Payment for all Goods shall be made in Canadian Dollar (CAD), unless specifically agreed in PO, subject to withholding of taxes, if any.
- 4.5 THGCA reserves the right to offset amounts due by SUPPLIER against amounts due to THGCA by SUPPLIER under these Terms, any Purchase Order or Release, or any other obligation. THGCA may withhold payment of any amount that may reasonably dispute in good faith until such dispute is resolved. SUPPLIER hereby authorizes such withholding and offsets or adjustment.
- 4.6 In case of any pending commercial claim on SUPPLIER by THGCA, THGCA reserves the right to offset amounts payable to SUPPLIER.
- 4.7 In case of any rejection, for the parts supplied by SUPPLIER to THGCA (before assembly), THGCA will raise debit note on landed cost (Basic + taxes + additional cost, as THGCA may deem appropriate).
- 4.8 In case of any rework carried out by THGCA or its Vendor. SUPPLIER agrees to pay rework and additional cost as THGCA may deem appropriate, to THGCA within 30 days from the date of Claim, failing which the same shall be off set/adjusted by THGCA from the amounts due to SUPPLIER.
- 4.9 In case of any rejection after assembly in THGCA, due to use of defective parts supplied by SUPPLIER, THGCA will raise debit note as per the Cost provided in Clause 4.7, above to the SUPPLIER for the reasons attributable to SUPPLIER's cause. SUPPLIER agrees to provide the rework at customers end & at the same time THGCA has right to debit the other, additional cost.
- 4.10 SUPPLIER shall bear any and all additional damages and/or liabilities, including production interruption of THGCA and of its Customer in case of delay, losses etc. due to Clause 4.7 to 4.9 above.

5. PACKING AND DELIVERY

- 5.1 Time is of the essence. Agreed delivery dates and time limits are binding. Delivery must be affected within the time specified in the Purchase Order or Releases. SUPPLIER agrees to adhere to the schedule Released by THGCA. Based on Customer's changes in requirement THGCA may amend the rolling schedule on SUPPLIER. SUPPLIER agrees to support THGCA changes.
- 5.2 In case of any excess supply by SUPPLIER, THGCA reserves the right to send it back at SUPPLIER'S cost. In case of any late delivery by SUPPLIER, SUPPLIER needs to inform THGCA at least fifteen (15) working days in advance. In case of short supplies, not communicated in advance to THGCA, causing THGCA line losses, SUPPLIER agrees to reimburse such cost within fifteen (15) working days from the claim.
- 5.3 SUPPLIER will promptly submit correct and complete invoices with appropriate supporting documentation and other reasonably required information by THGCA to the applicable THGCA Customer and THGCA may withhold payment until a correct and complete invoice or other required information is received and verified.
- 5.4 SUPPLIER will, without any extra charges for handling, packing or delivery, properly pack and deliver the Goods in strict conformity with any commercially reasonable instructions that THGCA may provide. If THGCA has not provided packing or delivery instructions, SUPPLIER will pack and deliver the Goods in accordance with industry best practices.
- 5.5 SUPPLIER agrees to deliver the Goods in accordance with these terms & conditions and the quantity, time, place and manner specified on the face of the applicable THGCA Purchase Order or Release.
- 5.6 SUPPLIER shall endeavor to maintain one hundred (100) percent (%) on-time delivery performance, consistent with the ISO 9001/TS 16949/IFTF2016 or any other relevant requirement as on the date of delivery. SUPPLIER shall manage and maintain its supply base in order to timely and effectively meet THGCA requirements.
- 5.7 In the event of a SUPPLIER delay, attributable to SUPPLIER cause, THGCA reserves the right to cancel the pertinent Purchase Order or Release with penalty or charge by giving prior written notice to SUPPLIER. THGCA may obtain substitute Goods from other Suppliers without notice to SUPPLIER and thereafter reject any late goods or services tendered by SUPPLIER even if conforming, at the cost, consequence and penalty of SUPPLIER.
- 5.8 SUPPLIER shall bear all such costs such as premium freight, cost of arranging the substitute products, costs for mitigation of all liabilities by THGCA and compensate THGCA for all other costs incurred by THGCA due to late deliveries of Goods to THGCA to the extent it is attributable to the late delivery of the Goods from THGCA to its Customer, including all losses, damages and claims of whatsoever nature.
- 5.9 The packaging of contract products used by SUPPLIER should be approved by THGCA. SUPPLIER should meet the packaging specifications specified by THGCA. The packaging should withstand any damage during shipment to protect

the contract products. THGCA have no responsibility for returning the empty packaging/containers, in case of such requirement by the SUPPLIER, parties should sign the "Return package agreement" separately.

6. QUALITY

- 6.1 In the execution of its activities for THGCA, SUPPLIER shall observe all quality measures as per the prevailing regulations and as per THGCA's stipulations in the Purchase Order, Quality Assurance Guidelines, as issued from time to time.
- 6.2 SUPPLIER is fully responsible for the GOODS to be in conformity with the quality agreed upon by taking into account the state of the art.
- 6.3 If and as far as SUPPLIER realizes or due to its expertise can realize that the GOODS are not fit for the intended purpose or fit for the intended purpose even to a limited extent only, SUPPLIER shall immediately notify THGCA of such situation in writing. Such notice shall in no case affect SUPPLIER's obligations or duties under the CONTRACT.
- 6.4 Incoming goods inspection by THGCA is limited to the identity and quantity of the GOODS and obvious damage caused in transit. Apart from this, THGCA reserves the right to claim as and when a defect (not as per specification) or quantity discrepancy occurs. Waiver of inspection by THGCA will not relieve SUPPLIER of its obligations. Further, in case of any such rejection, SUPPLIER is responsible for the premium/expedited freight for the delivery of corrected consignment, notwithstanding any other liability under these terms.
- 6.5 SUPPLIER guarantees that the GOODS of batches delivered shall not be of poorer quality than the sample part inspected and accepted by THGCA.
- 6.6 Should SUPPLIER intend to relocate its production line/machines, it shall immediately notify THGCA and take its prior written consent for doing so. SUPPLIER shall bear all the expenses caused by the said relocation and shall also bear the costs and expenses that may be incurred by THGCA as a result thereof, including all losses, damages and claims of whatsoever nature and shall pay the same to THGCA within fifteen (15) days of THGCA lodging the claim in this regard failing which the same shall be set off/adjusted from the amounts due to SUPPLIER. THGCA may ask for re-audit, before the supplies can start.

7. WARRANTY & INSURANCE

- 7.1 If SUPPLIER breaches any of its contractual obligations it shall compensate THGCA for the damage or loss incurred by THGCA with additional charges, as THGCA may deem appropriate.
- 7.2 The SUPPLIER to provide warranty against the products, so supplied for the longer of 48 months from the delivery of Goods to THGCA pursuant hereto or the period for which THGCA warrants the Goods to Customer/end users. The SUPPLIER represents, warrants and covenants that, the Goods will (i) be new; (ii) be delivered

with good title, free, merchantable and clear of any security interest, claim, demand, lien or any other encumbrance; (iii) be free from defects in material and workmanship; (iv) be in conformity with all specifications, drawings, and samples furnished by THGCA; and (v) not misappropriate any trade secret or infringe, violate, trespass or in any other manner contravene or constitute the unauthorized use of any patent, trademark, copyright or other intellectual property right.

- 7.3 The warranties of these terms & conditions are in addition to any other warranties provided at law, whether express or implied. All such warranties, whether contractual, expressed or Implied, shall survive acceptance of the Goods and shall be transferable to THGCA customers (including end users and distributors of the Goods) and to THGCA' successors and permitted assigns.
- 7.4 SUPPLIER agrees to reimburse THGCA for all warranty expenses incurred by THGCA as a result of SUPPLIER non-conforming and/or defective Goods. In such events, THGCA will either supply new parts or components in exchange for those defective parts or repair such defective parts or components free of charge to the Customer and recover the cost of supplying such equipment plus additional charges from the SUPPLIER, as it may deem appropriate and damages/claims/penalty as imposed by the customer.
- 7.5 SUPPLIER is liable to THGCA for total Warranty or any other costs associated with any proven failure on SUPPLIER' s part to provide Goods that meet THGCA specifications under these Terms & Conditions.
- 7.6 SUPPLIER will be responsible for any catastrophic failure costs, if any, associated to parts delivered to THGCA that do not meet THGCA specifications. SUPPLIER commits to having Product Liability & Recall Insurance in place.
- 7.7 SUPPLIER shall maintain at its expense insurance policies with financially sound insurance companies. These policies cover SUPPLIER'S liabilities towards THGCA, its Customer and third parties, and in particular but without limitation include product liability & recall insurance coverage. THGCA may require SUPPLIER to furnish evidence of the foregoing insurance and renewals thereof or any other information regarding such insurance. However, non-asking of such insurance by THGCA from SUPPLIER will not relieve SUPPLIER of its liability.

8. SERVICE SUPPORT AND RESPONSIBILITIES

- 8.1 SUPPLIER agrees to provide necessary documents, support and services to THGCA and THGCA customers associated with the Goods as and when required. SUPPLIER will sell to THGCA goods necessary for it to fulfill its/its customers' current model service and replacement parts requirements at the price(s) set forth in this contract. SUPPLIER further confirms that it shall sell goods to THGCA for next 15 years or any other longer period prescribed by THGCA's customer after THGCA completes current model purchases, to fulfill its customers' past model service and replacement parts requirements, stocking etc. Unless otherwise agreed to by THGCA, the price(s) during the first 5 years of this period shall be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for goods shall be as agreed to by the parties. When requested by Buyer.

- 8.2 SUPPLIER will bear all the costs incurred by THGCA if any service is to be provided by THGCA at Customers' end within and outside Canada for any of the issues highlighted by THGCA relating to SUPPLIER supplied parts.

9. PERFORMANCE REVIEWS AND AUDITS

- 9.1 A performance review of SUPPLIER will be held by THGCA at such intervals as it may deem required.
- 9.2 SUPPLIER shall endeavor to provide THGCA upon THGCA's request, to the best possible extent, total cost of ownership (TCO) information, including without limitation a breakdown of materials, overheads, manufacturing costs, and handling charges.
- 9.3 SUPPLIER will arrange an appropriate level of in-plant visits by THGCA including its representatives from Sales, Quality, Production Control and Engineering. The frequency and type of visits will be agreed upon by THE PARTIES.

10. CONFIDENTIALITY AND NON-DISCLOSURE

- 10.1 The SUPPLIER agrees that any confidential information disclosed by THGCA by whatever means will be considered confidential and proprietary. SUPPLIER shall hold the same confidence, shall not use the same other than for the purpose of these Terms.
- 10.2 As used herein, "Confidential Information" refers to any information proprietary and confidential in nature and is either (i) technical information, including patent, copyright, trade secret, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, source documents etc., and services of THGCA, and/or (ii) non-technical information relating to THGCA'S products, including without limitation pricing, margins, merchandising plans and strategies, finances, financial and accounting data, shareholding data and information, Business suppliers, customers, customer lists, purchasing data, sales and marketing plans, future business plans and any other information which is proprietary and confidential to THGCA, and all/any information relating to subsidiaries, Affiliates, Group Company(ies), Associates etc. of THGCA including its Directors, Promoters and Employees.
- 10.3 SUPPLIER will maintain confidence and will not disclose, disseminate or use any Confidential Information belonging to THGCA, whether or not in written form. SUPPLIER shall treat all Confidential Information of THGCA (with the same degree of care as SUPPLIER accords to its own confidential information. SUPPLIER further represents that it exercises at least reasonable care to protect its own confidential information. The confidential information be shared to only those of its employees who need to know such information and certifies that such employees have previously signed a similar Agreement with SUPPLIER.

- 10.4 Confidential Information shall be deemed proprietary and the SUPPLIER shall have no obligation with respect to such information where the information: was known to SUPPLIER prior to receiving any of the Confidential Information from Discloser; has become publicly known through no wrongful act of SUPPLIER; was received by SUPPLIER without breach of these Terms from a third party without restriction as to the use and disclosure of the information; was independently developed by it without use of the Confidential Information.
- 10.5 Confidentiality obligations shall be valid for the currency of these Terms notwithstanding the termination of any other relationship between the parties.

11. INTELLECTUAL PROPERTY

- 11.1 SUPPLIER acknowledges that THGCA General Terms & Conditions do not transfer to SUPPLIER any patent, trade secret, trademark, service mark, copyright or other intellectual property right (collectively, “Intellectual Property Rights”) of THGCA or its Customers made available to SUPPLIER, or to which SUPPLIER has access to, under these Terms.
- 11.2 Any discovery, invention or improvement (collectively, “Discovery”) with respect to the design of the Goods which is conceived or developed by either Party individually or jointly in the course of performing these Terms will be the property of THGCA, and THGCA will be the owner of all intellectual property rights arising in any jurisdiction in the world pertaining thereto. THGCA will have the right to apply for patent protection for such Discoveries in its own name and at its own expense, and SUPPLIER will cooperate in connection with any such application and the prosecution thereof.
- 11.3 SUPPLIER hereby irrevocably transfers, conveys and assigns to THGCA all of its right, title, and interest in and to any derivatives, enhancements, modifications, alterations or improvements SUPPLIER conceives to any GOODS (hereinafter collectively "Improvements") during the currency of the contract which is conceived or developed using the confidential information of THGCA in performance of these Terms THGCA shall have the exclusive right to apply for or register any patents, mask work rights, copyrights, and such other proprietary protections, formal or informal, with respect thereto, on a world-wide basis, and to incorporate Improvements into the Goods at no additional charge in any manner.
- 11.4 During the currency of the contract, SUPPLIER shall immediately notify THGCA of any alleged, actual or apparent infringement of THGCA's intellectual property, including, without limitation, any Trademark, Product, patent, or trade dress, of which SUPPLIER becomes aware. THGCA shall have the right, but not the obligation, to take legal action to restrain such infringement and to settle any litigation or threat of litigation relating to such infringement on terms satisfactory to it. If requested by THGCA, SUPPLIER shall aid THGCA at THGCA's expense in the prosecution or settlement of such litigation.
- 11.5 The Clause 11.1 to 11.4 above represents the standard process. In the case of a specific technological input or design change that SUPPLIER wants to keep ownership of, a formal written agreement needs to be put in place upfront and added to this contract as an amendment.

12. INDEMNIFICATION

- 12.1 SUPPLIER agrees to indemnify and hold harmless THGCA, its customers, affiliates, subsidiaries, Directors/officers, agents and employees from and against all losses, costs, damages or expenses including reasonable attorney's fees ("Losses"), arising out of or connected with (i) any actual or alleged breach by SUPPLIER of any term and or warranty and or covenant set forth in these Terms, (ii) any claim alleging the infringement of any third party's patent, trademark, copyright or other rights due to its sale or use, alone or in combination, of the Goods, including the Goods and designs developed by SUPPLIER, except to the extent the alleged infringement is directly attributable to the Goods being manufactured solely in accordance with the Specifications; (iii) any Product liabilities and/or recalls; or (iv) any actual death or injury to any person, damage to any property, or any other damage or loss, by whomever suffered, which is claimed to have resulted in whole or in part from the purchase, sale, use or operation of any Goods or any actual defect in such Goods, whether latent or patent, including any failure to manufacture the Goods according to the Specifications, or to provide adequate warnings, labeling or instructions specified by THGCA, (except to the extent such death, injury, damage, or loss arises from the specifications or any material alteration, modification or improper or unauthorized service and repair of the Goods performed by THGCA or its customers.
- 12.2 SUPPLIER shall be solely responsible for, and its indemnification obligation under this Clause 12 shall extend to, all acts and omissions of any of its affiliates, successors, and permitted assigns, and its or their respective officers, directors, employees, agents, or contractors in the performance of its obligations under these Terms. This Clause 12 shall survive the expiration or termination of this these Terms & Conditions.

13. DEFAULT LIABILITY

In the event that SUPPLIER fails to provide the GOODS to THGCA strictly in accordance with the stipulations of these Terms and Conditions with regard to time, quantity, quality and other reasonable requirements of THGCA, or SUPPLIER otherwise breaches these Terms and Conditions, SUPPLIER shall bear default liabilities and compensate THGCA for its losses as a result thereof. Such losses include but are not limited to: (i) the extra costs of THGCA for purchasing substitution products; (ii) the default liability losses of THGCA for breaching relevant supply contracts due to lack of qualified GOODS supplied by SUPPLIER; and (iii) THGCA'S expenses for pursuing the liabilities of the SUPPLIER and/or for dealing with relevant default matters (including without limitation legal fees and travelling costs).

14. TERMINATION

- 14.1 THGCA shall have the right to terminate the contract, in whole or in part, if the SUPPLIER commits a breach of any of its obligations under this and fails to rectify within ten (10) days of written notice.

- 14.2 THGCA shall have the right to terminate the contract, if SUPPLIER become insolvent or goes into liquidation, whether voluntary or involuntary, a receiver is appointed to take possession of the business, properties or undertaking of SUPPLIER; a substantial portion of SUPPLIER'S stock is sold to a third party; or SUPPLIER sells substantially all of its assets or its assets used to perform its obligations.
- 14.3 THGCA shall have the right to terminate the contract upon fifteen (15) days advance written notice if SUPPLIER is likely to become unable to fulfill its obligation in the foreseeable future and SUPPLIER fails to provide adequate assurances to THGCA upon reasonable request. In any other case THGCA shall have right to terminate the relationship upon thirty (30) days written notice.
- 14.4 In the event of termination of this business relationship, the parties agree to the following rights and obligations:
- 14.4.1. Any termination shall not relieve SUPPLIER of any obligations and liabilities accrued prior to the termination.
- 14.4.2. SUPPLIER shall return all THGCA's unique tooling, fixtures, drawings, documents, confidential information, prints, specifications and gauging for the Goods pursuant to the instructions of THGCA, including IPRs except those tooling, fixture & gauging which have been specifically owned/funded by SUPPLIER.
- 14.4.3. SUPPLIER shall honor the warranties of all Goods sold and supplied to THGCA prior to termination in accordance with this these Terms & Conditions.
- 14.4.4. SUPPLIER transfer to THGCA, title to and possession of all or any part of such goods manufactured or delivered by SUPPLIER.
- 14.4.5 Upon termination of the Contract by THGCA under these Terms, THGCA may pay to SUPPLIER the amounts without duplication, and subject to necessary adjustments of claims, losses, damages, warranties and other obligations, under these General Terms & Conditions, the Contract price for all finished, accepted and completed Goods and Services that conform to the requirements of the Contract and not previously paid for. The payment specified in this Clause is Seller's sole remedy for termination of this contract under this Clause.
- 14.4.6 Notwithstanding any other provision of this contract, THGCA will make no payments for finished goods, services, work-in-process or raw materials fabricated or procured by SUPPLIER amounts in excess of those authorized in THGCA's PO / delivery schedules or any undelivered goods that are in SUPPLIER's standard stock or that are readily marketable.
- 14.5 The aforesaid terms at Clause 14.4.1 to 14.4.6 shall not be applicable to short term supplies or supplies under specific numbers of POs, hence in such cases THGCA will have right to forthwith cancel the PO if SUPPLIER is in breach of any of the obligation or likely to become unable to fulfill its obligation in the

foreseeable future and SUPPLIER fails to provide adequate assurances to THGCA.

15. FORCE MAJEURE

- 15.1 Neither party shall be liable to the other for delay or failure to perform its obligation under these Terms when performance is prevented by flood, drought, fire, war, riot, Acts of God or Acts of Government. THGCA may, at its option, purchase substitute Goods from other Suppliers during SUPPLIER's inability to provide parts for any reason. In case SUPPLIER is the affected party, it must provide a notice to THGCA with duration, loss mitigation, supply of alternate source etc.
- 15.2 THGCA may purchase substitute from other Suppliers if THGCA determines, in its sole discretion that SUPPLIER is likely to become unable to fulfill its obligations under these Terms in the foreseeable future and SUPPLIER fails to provide adequate assurances to THGCA upon reasonable request.

16. SUPPLIER COVENANTS AND LEGAL COMPLIANCE

- 16.1 SUPPLIER may be selected for critical or long-term supplies, and a separate Basic Supply Agreement/Framework Agreement is to be executed in addition to these terms.
- 16.2 SUPPLIER covenants and agrees that all activities performed, directly or indirectly, by or on behalf of SUPPLIER pursuant to these Terms & Conditions, or in furtherance of its objectives, shall be carried out in form and substance in accordance with all applicable laws, regulations, procedures and policies of the countries in which such activities are performed, or the goods in question are subject including anti bribery laws, anti-money laundering laws, conflict minerals regulations etc.
- 16.3 SUPPLIER covenants and agrees to comply with all applicable rules regulations and laws with respect to manufacturing, materials, the environment and safety, and, if applicable, all laws and regulations governing the importation of the Goods for sale in the any part of the world.
- 16.4 SUPPLIER covenants that all the terms that are incorporated in Basic Supply Agreement/Framework Agreement (by whatever name called) or by reference herein shall be complied with. In case of conflict, in any documents, the interpretation of the documents shall be governed by the following order of precedence:
- a. by the terms of the face of an PO
 - b. by the Basic Supply Agreement/Framework agreement, if any.
 - c. by these terms
 - d. by the terms of special conditions.
 - e. any terms that are incorporated by reference herein.

17. PARTIAL INVALIDITY / SEVERANCE/ SEVERABILITY

If any Article, provision, or term of this General Terms and Conditions becomes or is deemed invalid or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, such Article, provision, or term shall be deemed reformed or deleted, but only to the extent necessary to comply with any statute, regulation, ordinance, executive order, or other rule of law, and all other Articles, provisions, and terms of this document shall remain in full force and effect.

18. ENTIRE AGREEMENT

- 18.1 These terms together with Annexures, Attachments, Appendices, Exhibits, Schedules, and addendum or documents mentioned in Clause 17 attached hereto from time to time constitutes entire agreement and supersedes all previous contracts, understanding etc. SUPPLIER's quote may be incorporated in PO or any of THGCA' document for book-keeping purpose only for its limited purpose and its terms are specifically excluded.
- 18.2 Clauses 3, 7, 9, 10, 11, 12, 16 and 21 shall survive any termination or expiration of these Terms & Conditions.

19. ASSIGNMENT

SUPPLIER shall not assign any of its rights or obligations without the written consent of THGCA. In the event THGCA authorizes such assignment of this SUPPLIER to a third party, the third party must agree to accept the Terms & Conditions mentioned herein without exception or alternation. THGCA has the right to assign any of its rights to a third party under intimation to SUPPLIER.

20. MISCELLANEOUS

- 20.1 Particular or specific conditions shall be governed by Special Terms & Conditions of THGCA ("Special Terms"), to which reference shall be made in the Purchase Order or hereinafter, where appropriate. In such case, the Special Terms will be provided separately. In case of any discrepancy or inconsistency among the Purchase Order, the Special Terms and the General Terms, the documents shall prevail over each other in the priority listed before.
- 20.2 Changes or deviations to the General Terms & Conditions and applicable other terms cannot be made effective, unless these are agreed in writing and signed.
- 20.3 Goods where customs treatment is required, the delivery note or invoice shall specify the cost of items not included in the price, the cost of items included in the price (such as assembly and freight costs) and the value of repairs carried out, itemized by cost of materials and wages. Moreover, SUPPLIER shall provide THGCA with all such reasonable support as may be necessary to enable THGCA to reduce or minimize its liability for payment of customs duties. If SUPPLIER supplies Goods from a country which benefits from a preferential duty treatment with the country where THGCA's production facility is located, SUPPLIER shall

transfer that benefit to THGCA. The rights to and benefits of any duty drawback, including rights developed by substitution and rights which may be acquired from SUPPLIER'S supplies and export credits to the extent transferable to THGCA, shall be the property of THGCA.

- 20.4 SUPPLIER shall not sub-contract any or all business with THGCA to its subcontractor(s), without the prior written consent of the THGCA. SUPPLIER shall ensure the quality and timelines of the conduct of its sub-contractor(s). Further the SUPPLIER shall remain responsible for the conduct of its sub-contractor(s) and compliance with these terms.
- 20.5 The contract between the SUPPLIER and THGCA is on principal to principal basis and nothing contained in these Terms and Conditions and any other agreement between THGCA and the SUPPLIER shall constitute or be deemed to constitute a partnership between the Parties, and the SUPPLIER shall not hold himself out as an agent of the other THGCA.
- 20.6 Supplier to ensure not to contribute to human rights abuses, bribery, and ethics violations, or negative impact on the environment, more specifically described in the Supplier Code of Conduct. Supplier to strictly adhere to the conditions mentioned in the Supplier Code of Conduct, a copy of which can be provided upon request.

21. REMEDIES AND NON-WAIVER

- 21.1 The remedies of THGCA are cumulative and in addition to all remedies set forth herein or available at law or in equity.
- 21.2 Either Party's resort to any particular remedy, or its delay or forbearance in exercising any remedy available to it, shall not constitute an election or waiver of any remedy. Any failure by any Party to enforce at any time any term or condition under these terms & conditions shall not be construed as a waiver of that Party's right thereafter to enforce each and every term.

22. NOTICES

All notices related to these Terms which are permitted hereunder shall be in writing and deemed to have been duly given if delivered personally or sent by email or by overnight express or by registered mail or certified mail, postage prepaid to the addresses, last known to parties.

23. GOVERNING LAW AND DISPUTE RESOLUTION

- 23.1. If the location of the PO from it is issued is in Canada, then it shall be construed and exclusively governed in accordance with the laws of Ontario, Canada. Jurisdiction and venue for any suit between the parties hereto arising out of or connected with this these Terms & Conditions or the goods or services furnished hereunder shall be in the province of Ontario.

If the location of the PO is issued is in the United States of America, then it shall be construed and governed in accordance with the laws of the state of

Pennsylvania Jurisdiction and venue for any suit between the parties hereto arising out of or connected with these Terms & Conditions or the goods or services furnished hereunder shall be in the state of Pennsylvania.

In other cases, any litigation on contractual claims arising from this Order may be brought by THGCA in any court having jurisdiction over it or, at THGCA's option, in any court having jurisdiction over any THGCA's locations specified in this Order, in which event SUPPLIER consents to jurisdiction and service of process in accordance with applicable procedures.

Any claim or proceeding by SUPPLIER against THGCA may be brought by SUPPLIER only in the court having jurisdiction over the location of THGCA from which this Order issued. SUPPLIER irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such claim or proceeding in any such court, including any objection that the place where such court is located is an inconvenient forum or that there is any other claim or proceeding in any other place relating in whole or in part to the same subject matter. In such cases, these Terms to be construed according to the laws of the country (and state/province, if applicable) from which this contract is issued as shown by the address of THGCA and venue for any suit between the parties hereto arising out of or connected with these Terms & Conditions or the goods or services furnished hereunder shall be located in the courts having jurisdiction over the address of the THGCA in such country.

- 23.2 THGCA and the SUPPLIER will endeavor to resolve by mutual negotiations any disputes, differences, controversies or claims arising out of or in connection with or relating to the Purchase order and or these Terms & Conditions, or the breach, termination or invalidity hereof (Dispute). The disputes which cannot be satisfactorily resolved by mutual negotiation within ninety (90) days of initiation will then be referred to the jurisdiction as mentioned in Clause 23.1 above.

24. SEVERABILITY

Every part of this General terms & conditions is severable from the others and in the event that any part of this terms & conditions becomes unenforceable for any reason whatsoever, the rest of the clauses of this terms & conditions shall continue to be effective and shall bind the Parties.

25. WAIVER

Unless specifically agreed in writing, no forbearance, indulgence or relaxation by any Party, at any time to require the performance of this general terms & conditions shall in any way diminish, affect or prejudice the right of such Party to require the performance of that provision and any waiver of the breach of the provisions of this general terms & conditions shall not be construed as a waiver of any continuing or succeeding breach of such provision itself, or a waiver of any right under or arising out of this general terms & conditions.

26. HEADINGS

The headings in this general terms & conditions are for purposes of reference only and shall not in any way limit or otherwise affect the meaning or interpretation of any of the terms hereof.

Supplier Code of Conduct

The Hi-Tech Gears Canada Inc., and the entire group of companies including its holding and subsidiary as a whole, (hereinafter referred to as “Hitech”), is committed to embrace ethical business practice in accordance with the applicable laws, rules and regulations with highest standards of honesty and integrity. We are a customer centric organization ensuring cost effectiveness. We have institutionalized improvements as a way of working in our organization. This code aspires the Suppliers to be effective and efficient by nurturing the environment, labour and human rights, nix human trafficking to help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of responsibility and accountability.

Intent

The purpose of this Code is to enhance the social, ethical and transparent process in managing the affairs of Hitech, and thus to sustain the trust and confidence reposed in the Officers by the stakeholders of society. The Suppliers, being important players are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder. Hitech Suppliers are also expected to self monitor and display all compliance with this code of conduct in their daily business activities to demonstrate their commitment. Suppliers should maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

Acknowledgement of this Supplier Code of Conduct

Suppliers carrying on business with Hitech must comply with applicable laws, rules and regulations of their country or territory along with the legal, cultural requirements of variegated global business environment. They must abide by the policies and procedures that govern the conduct of the company's business. Hitech presumes that suppliers carrying on business with us are deemed to agree to the content of this code. We reserve the right to revoke the relationship with Suppliers that do not comply with this code.

This code does not subsume all potential situations that could evolve, but some of the more common scenarios are described below:

Fundamentals of this code

• Applicability

This Code shall come into force with immediate effect from the start of business relationship with Supplier, and it can be amended by Hitech from time to time.

• Obedience of the Law

- Complying with all provisions of the Hitech Code of Conduct along with all applicable laws which also includes following trade restrictions. Suppliers are expected to make custom declarations as and when required.
- Knowledge of all applicable laws by the management along with their staff members and regular updates of any changes in law is expected from the Suppliers of Hitech.
- Pursuant to applicable antitrust and competition laws, fair competition principles should be ensured by the Suppliers.
- Anti Money Laundering and Anti Corruption practices must not be supported. No Suppliers shall engage or otherwise become involved in any activity involving bribery for illicit gains, or which may give rise to the appearance of, money laundering or bribery against the applicable laws.

• Environment Protection

It is our social Responsibility to protect environment not just because of governmental restrictions or strong consumer pressure. There is necessity to cause significant reduction in the production of polluting goods, as by reducing use of pollutants or implementing low-use techniques, actually increases efficiency and financial performance of corporations. To minimize the environmental impact, the implementation of programmers comparable to ISO 14001 or equivalent should be conducted, preventing pollution during the production process. We recommend all Suppliers to comply with all applicable environmental laws, Regulations and standardization which include:

- Endeavour to use resources sustainably; reducing usage of a polluting product, treatment of wastes by implementing conservation measures to recycle the waste material.
- Use of material which is not harmful to the environment.
- Maintenance of relevant environmental permits and other documentation and follow requirements of such permits.
- Implementation of Investigation Program to inspect compliance of all applicable environmental regulations and Standards.
- Treat animals in accordance with government and industry-accepted guidelines for ethical treatment.

- Health and Safety

- Suppliers to Comply with all safety and health laws, regulations, fundamental rights including hygiene and safety, electrical, mechanical and fire safety.
- Necessary steps to be initiated to mitigate the causes of hazards likely to happen in the working environment. Suppliers should place warning signs, health and safety information wherever required. Suppliers should make available various safeguards such as safety boots, glasses to workers/employees, free of cost.
- Suppliers maintain requisite temperature and humidity in their facilities to make people comfortable while working.
- Always provide sufficient potable drinking water.
- Workers must have access to safe and sanitary bathroom facilities in their workplaces.
- Suppliers must have a scheme for emergency cases or medical treatment in case of injury.
- Illegal drugs, alcohol to be strictly prohibited in the work premises.

- Labor and Human Rights

- Forced or Child Labor:- Do not engage in involuntary labour practices in your operations and supply chains. Labor in the form of indentured, bonded, child labour, Human Trafficking in the manner of physical or psychological abuse, threat, coercion is strictly prohibited by Hitech and same to be adhered by all the Suppliers. Further Supplier shall comply with Government of Canada's policy of Fighting against forced labor and child labor in Supply Chain Act
- Suppliers comply with the minimum working age local and national laws.
- Wages and Hours:- All applicable laws regarding wages and overtime pay to be followed. Suppliers must pay all legally mandated minimum wages, bonus, leaves and benefit as per local industry standard. The hourly wage rate should be higher than the rates for the regular work shift. Proper documentation is required verifying the age, wages and hours worked. The documents can be audited by Hitech anytime if necessary.
- Freedom of Association:- Workers should be allowed without any interference to join any association and bargain collectively and all other workplace rights as per local laws.
- Non- Discrimination:-The workers to be treated in a non-discriminatory manner. Employment should be based on capability and not personal characteristics like race, gender, sexual orientation, health condition, nationality, religion etc. Suppliers commit in providing a healthy and respectful workplace that is free of harassment, discrimination and reprisal, to ensure the health, safety and well-being of employees at all levels
- Women's Rights:- Suppliers should ensure that women workers receive equal treatment in all aspects of employment.

- Conflict Minerals

- Sourcing of Minerals from Areas of conflict:-Sourcing of tin, tungsten, tantalum and Gold contained in supply chain of minerals from conflict-affected and high-risk areas are prohibited. Disclosure/Information to be provided by the supplier about their use of minerals, wherever required.

- Quality

- Comply with quality standards regarding manufacturing, delivering and the supply of products and or services.

- Provide safe, high-quality products and services to protect public health. Manufactured and/or delivered products and services must meet or exceed food, drug or product safety and quality standards required by applicable Canadian and US laws and regulations and Loblaw Policies, including those provided to you and as may be amended from time to time.

- Business Ethics

- Business Records: - Suppliers must maintain and if asked for provide Authentic and Precise record which includes complete invoices and other documents of all business information and complies with all applicable laws regarding their completion and accuracy. Costs, fees and expenses chargeable to the Supplier must be clearly described. The Books and records of the Supplier should not be misleading.
- Confidential Information: - Supplier must safeguard all the information shared by Hitech including but not limited to all financial Information, trade secrets, business plans. Information shall be handled on a need-to-know basis. Insider trading is strictly prohibited.
- Cyber Security: Ensure Suppliers have sound security practices to protect Hitech, its colleagues, representatives, associates and its customers. Adhere to the relevant information security terms in Hitech Policies and Governing Terms.

- Protection of IPR

- Suppliers should take charge for protecting all types of confidential information and intellectual properties. Both physical and electronic security should be maintained.
- Non-Disclosure Agreement to be signed during any articulation of sensitive information between Hitech, Suppliers and a third party.
- If Supplier comes to know of any violation of Intellectual Property Rights, then the same must be notified immediately. Suppliers have no right to register the IPR in Supplier's own name.

- Monitoring and Compliance:

Hitech may insist the necessary certifications from the Suppliers in compliance with the Code. Hitech may visit suppliers for an announced and unannounced inspection to review/audit the working, documentation and enforcement of this code. Suppliers are expected to take necessary corrective measures for prompt remedy to noncompliance. In case of continuous non-compliance Hitech reserves the right to terminate the agreement anytime.

- Assistance in enforcement of this code

Suppliers are expected to put efforts into complying with this code together with taking responsibility for communication of the laws contained in this code to its employees, subsidiaries, sub-suppliers in the local language of the business.