

## Purchase Order Terms & Conditions

- 1. Acceptance of Order:** These terms and conditions govern the Purchase Order ("Order"). Performance of the Order in part or full shall constitute acceptance of the Order. The terms and conditions of this Order shall constitute the complete and exclusive understanding between the Parties and the terms and conditions of this Order supercede and prevail over any physical or electronic document, pre-printed or otherwise, issued by the Vendor unless a contract/agreement is signed between the parties, in which case the contract/agreement will prevail. the Vendor shall provide the acceptance or rejection of the Order within the days mentioned under the special instructions of this Order or within seven (07) days, whichever is earlier, failing which the Order is deemed to be accepted by the Vendor.

The Vendor represents and warrants that the Vendor has read, understood and shall abide by the Biocon's Supplier Code of Conduct available at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/> and agree to all the terms.

- 2. Quality:** Subject to applicable national, international standards, CGMP standards and all goods shall be supplied strictly in accordance with the specifications/Work Plan/Protocol as per the Order or provided in writing by Biocon. Biocon reserves the right of not accepting the whole or part of the supply if not found for use due to discrepancies in quality, specifications, weight, dimensions etc. The rejected materials shall have to be lifted by the Vendor from Biocon's premises within fifteen (15) days or the mutually agreed timeline from the date of rejection at Vendor's risk and expenses unless agreed otherwise. Biocon shall not be responsible for any loss or damage to the same and Biocon shall discard the material without any intimation to the Vendor after the mutually agreed timeline. Biocon shall not be responsible for any claim in the future.
- 3. Delivery:** Time is essence of the Order. If goods are not delivered in accordance with the Order or as mutually agreed, without notice and without prejudice to other legal rights, Biocon may cancel the Order wholly or in part and procure the goods from third party vendors and the differential amount shall be paid by the Vendor to Biocon. In the event deliverables are delayed beyond agreed timelines, Vendor shall be liable to pay damages of one percent (1%) of the Order Price for every week of continuing delay, subject to a maximum of ten percent (10%).
- 4. Price:** This Order shall be invoiced only at the price shown on the Order or lower. The applicable currency shall be Indian Rupees, unless specified otherwise in the Order. Unit rates, if any, in the Order shall remain unchanged irrespective of the market fluctuations. The prices shall include costs relating to housekeeping, installation and commissioning and materials required for delivery, installation and commissioning (as applicable) of the goods borne by the Vendor.
- 5. Taxes:** Order price shall include all applicable taxes with respect to an Order, except for sales, usage, excise, ad valorem, value added, or consumption taxes imposed by

any governmental authority for the purchase of the goods supplied, which Vendor is required by law to collect from Biocon. Vendor shall not collect or remit and Biocon not be liable for, any such taxes if Biocon has provided Vendor with a tax exemption certificate. All payments shall be made by Biocon after deducting TDS, as per the applicable laws.

The Vendor shall provide a proper invoice in the form and manner prescribed under GST Invoice Rules or any other similar applicable laws containing all the particulars mentioned therein. Vendor to mandatorily comply with e-invoice provisions as per Rule 48 of CGST Rules 2017 (if applicable) or any other similar applicable laws. In case of any non-compliance, Biocon to hold the payment/ deduct the amount/ recover the amount in the cases of any input tax credit loss. For all supplies made to the SEZ, three copies of the invoices shall be provided by the Vendor.

The Vendor agrees that Biocon shall reserve the right to hold the tax portion of invoice amount towards supply made and shall clear the same only after correct details of supply are uploaded by in their Form GSTR-1, and this information is subsequently reflected in Form GSTR-2B of the Biocon. Further, the Vendor agrees that the required taxes are paid while filing its return and appropriate details shall appear in the GSTR-2B of Biocon enabling them to take input tax credit of the same.

In an event of denial of input tax credit to Biocon arising on account of any non-payment of taxes or non-compliance with the GST Laws by the Vendor, Biocon shall withhold such amounts from subsequent payments being made to the Vendor till the input tax credit so denied is reinstated.

In the event that appropriate reporting is not completed by the Vendor in Form GSTR-1, Biocon will be eligible to recover from the Vendor all costs (including interest costs) incurred by it on account of reversal of input tax credit in terms of Section 16 of the Central Goods and Services Tax Act, 2017 or any other applicable laws. Vendor hereby undertakes that sole responsibility of charging appropriate taxes and duly depositing the same with the relevant authorities to the extent the Vendor is statutorily liable. Any interest, penalties or recoveries by authorities on account of default by the Vendor to be solely borne by the Vendor on its own account.

As per the applicable GST act & rules or any other applicable laws, the Vendor is responsible to generate an E-waybill for transportation of goods on GST portal. In case Vendor is unable to generate the E-waybill or in case any E waybill is erroneously generated, and the goods are being detained by the Tax Authorities, the Vendor has the responsibility to get the detained goods released and pay for the damages. Biocon can recover for the damages caused in such event.

The Vendor represents and warrants that it shall remain compliant with the GST Laws or any other applicable laws and the requirements therein. The Vendor shall solely incur and bear any additional recoveries or tax incidence on account of non-compliances with the GST Laws or any other applicable laws.

The Vendor shall be solely responsible for:

- (i) Issuing and making available to Biocon all requisite documents in the manner prescribed under the GST Laws or any other applicable laws including but not limited to invoices, advance receipt vouchers, credit notes, debit notes, e-permits and waybills. Such documents to specifically capture mandatory details including but not limited to GSTIN, HSN/ SAC, description of the supply, value, applicable Indirect Taxes, place of supply, as prescribed under the GST Laws or any other applicable laws.
- (ii) Classifying the supplies made and charging GST as applicable on the same.
- (iii) Timely depositing of applicable Indirect Taxes.
- (iv) Appropriate disclosures in the statutory returns or otherwise within the prescribed time limits.
- (v) Ensuring that appropriate taxes are charged, and exemptions are claimed as available.

The Vendor shall keep Biocon indemnified in respect of all claims, recoveries in respect of the above.

Vendor shall execute Letter of Undertaking/ Bond as applicable from time to time for SEZ unit/ developer supplies.

- 6. Invoices:** Vendor shall raise detailed invoice within ninety (90) working days from the date of completion of each milestone as specified in the Order. All invoices shall contain data and registration numbers that will enable Biocon to obtain appropriate credit for any taxes charged. Any terms and conditions in the invoices which are conflicting with the terms of the Order shall be void.
- 7. Payment:** As full consideration for the delivery, installation and commissioning of the goods (as applicable), Biocon will make the payment as per the agreed payment schedule on receipt of techno-commercially correct invoice. If the goods are not provided in accordance with the Order, the corresponding payments shall not be effected until the discrepancy is corrected.
- 8. Confidentiality:** Vendor hereby undertakes to treat as confidential all information obtained from Biocon or communicated to Vendor pursuant to this Order (or through discussions or negotiations prior to the Order being placed) or acquired in the performance of the Order and will not divulge such information to any person (except to its own employees on need-to-know basis) and will use such information solely in connection with performing its obligations under this Order. Without prejudice to any other legal and equitable remedies, including damages, Biocon shall have the right to seek injunctive relief and/or specific performance for breach of confidentiality.
- 9. Intellectual Property:** All goods provided by Vendor pursuant to the Order shall, at all times, be and remain the sole and exclusive property of Biocon. Vendor hereby grants to Biocon a non-exclusive, perpetual, fully paid-up license to use all intellectual property rights in the goods which enables routine operation, maintenance and repair of the goods, including any controlling software, with a right to transfer the license to

a new owner of the goods. Vendor warrants that the goods supplied here under, does not infringe any third-party intellectual property rights.

- 10. Warranties:** Vendor warrants that all goods supplied to Biocon as a result of this Order shall conform to the specifications as per clause 2 above, fit and sufficient for the purpose intended and free from defects in material or workmanship. Warranty shall survive inspection, testing, acceptance and use by Biocon. Warranty shall be for a minimum period of twelve (12) months or any other timeline as mutually agreed from the date of delivery, installation or commissioning (as applicable) of the goods or such other longer period as may be agreed between the parties. Vendor's warranty shall continue to be in effect to Biocon, its successors, assigns and customers, and users or beneficiaries of the goods.
- 11. Rectification of Defects:** Vendor shall within forty-eight (48) hours or such other mutually agreed period from delivery, installation or commissioning (as applicable), repair or replace any defective goods not conforming to the foregoing warranty, without additional cost to Biocon. In the event Vendor delays or defaults in repairing or replacing or reworking defective goods beyond the agreed period as aforesaid, Vendor shall be liable to pay damages of one percent (1%) of the Price of the goods for every week of continuing delay or default, subject to a maximum of ten percent (10%). Notwithstanding the above if the delay to repair or rework or replace the defective goods exceeds five (5) working days, without prejudice to Biocon's rights to recover damages under law, Biocon shall be entitled to appoint a third party to undertake such repair or replacement, and all actual costs incurred by Biocon shall be reimbursed by Vendor. If the Vendor informs Biocon within the said period of five (5) working days that the defects in goods are incapable of rectification to meet the agreed specifications, Vendor will be liable to pay to Biocon liquidated damages of 100% of the Order value or pay to Biocon the actual costs incurred by Biocon, including the differential price arising out of procuring the goods from a third party, whichever is lesser. If Vendor repairs or replaces the defective goods as permitted by Biocon, the goods so repaired or replaced shall also be subject to the foregoing obligations of warranty throughout the warranty period.
- 12. Indemnity:** Vendor shall indemnify Biocon and its representatives from and against all claims, losses and demands (including attorneys' fees) arising in whole or in part, due to Vendor's or its subcontractors#, or agents# (a) negligence, breach or default in the performance of the Order; or (b) any defects in the goods supplied; or (c) any infringement of third party intellectual rights arising from the goods; or (d) any damages to person or property of Biocon or any other party or public caused due to negligence in packaging, handling, installing or commissioning the goods.
- 13. Force Majeure:** Both parties shall not be liable for delay in the performance of their obligations under this Order arising due to causes beyond their control, provided, the same is notified in writing to the other party within five (5) days from the date of its occurrence.

The parties may agree on revised completion dates. If the force majeure situation

continues for more than ninety (90) days, unless agreed otherwise, either party may cancel this Order without any liability. Failure of subcontractors and inability to obtain materials or labour shall not be considered as a force majeure delay. If the delivery, installation or commissioning (as the case may be) of goods are only partially restricted or delayed, Vendor shall use its best efforts to accommodate the requirements of Biocon, including giving preference and priority over other customers.

- 14. Changes:** Biocon reserves the right to make changes in the Order by way of a Change Order. Vendor shall intimate Biocon within forty eight (48) hours the implications on time and cost of the Change Order. Any such Change Orders shall be incorporated as amendment to the Order. If the Vendor does not confirm within forty eight (48) hours or any timeline as mutually agreed between the Parties, it shall be deemed as accepted by the Vendor. In the event, the Parties do not agree to make the changes in the Order, Biocon shall have the right to terminate the Order with a seven (07) days' notice.
- 15. Passing of Property and Risk of Loss:** Vendor shall deliver all goods to the defined location(s) specified in the Order. The title and risk of loss, destruction or damage in the goods or materials used for the goods shall remain with Vendor until delivered, installed and/or commissioned (as applicable) at the defined locations as specified in the Order and transferred to Biocon's possession and accepted by Biocon, at which time title and risk in the goods and materials used in the goods shall transfer to Biocon.
- 16. Inspection / Testing / Rejection:** Payment by Biocon for goods delivered shall not constitute acceptance. Biocon retains the right to inspect the goods and to reject part or whole of the goods supplied which are not compliant with the Order for a period of three (3) months or such other extended period as mutually agreed, after the date of delivery and/or installation and/or commissioning (as applicable).
- 17. Biocon Material:** Any material or parts furnished by Biocon intended for use by Vendor in execution of Vendors obligations are held by Vendor as bailee. All such materials or parts not used by Vendor in connection with this Order shall be returned to Biocon at Vendors expense, failing which Vendor shall reimburse Biocon for such materials or parts. All such materials or parts will be kept insured by Vendor at Vendor's expense in an amount equal to the value of such materials.
- 18. Assignments / Setoffs / Subcontracting:** Vendor shall not assign, subcontract or transfer this Order without Biocon's prior written approval. All monies due from the Vendor or its sub-contractor out of this or any other order shall be subject to setoff or counterclaim by Biocon against payments due as per this Order.
- 19. On-Site Activities in Relation to the Goods/Services:** Vendor agrees to employ skilled, competent personnel and ensure continuity in employment of such personnel to perform its obligations under the Order. Upon Biocon's request, Vendor will immediately remove and replace any personnel. Vendor's personnel shall at all times conduct themselves in full compliance with Biocon site, safety and security regulations and immediately report to Biocon any incidents. In the event of damage to person or property of Biocon or other Vendors caused by Vendor's personnel, Biocon reserves the right to recover complete

cost of the replacement/repairs of such damages from Vendor. In the event of theft of any material by Vendor's personnel, without prejudice to other legal remedies, Biocon shall impose penalty of Rupees Fifty Thousand (Rs.50,000/-) per event of theft plus cost of such material. Vendor shall conduct background verification for all Vendor personnel deployed on Biocon premises for the provision of any services in relation to the Order. The Vendor shall ensure that the personnel deployed by the Vendor for this Order, has cleared the background verification checks carried out by the Vendor.

**20. Compliance With Laws:** Vendor warrants that the goods delivered, installed and/or commissioned, as the case may be, under this Order shall comply with all applicable laws and Biocon Code of Conduct in force. Vendor shall obtain and maintain valid throughout all licenses, registrations, permissions, approvals and consents, for performing its obligations under the Order. Any hazardous goods shall be packaged, labelled, marked, shipped and delivered by Vendor in compliance with all applicable laws and regulations. All information available to Vendor regarding any potential hazards known or believed to exist in the transport, handling or use of hazardous goods shall be promptly communicated to Biocon. Hazardous goods shall be shipped and transported through transporters complying with TREM or similar applicable requirements. Vendor shall provide all documentation required for the qualification of goods and its usages as by regulatory guidelines. Vendor shall be liable for all third-party damages, public health, safety and environmental issues arising out of accidents, spillage, and pollution, emissions during transportation for the goods or materials used in relation to the goods.

**21. Anti-Corruption & Anti-Bribery Provision:** Vendor shall comply with all applicable anti-bribery laws and regulations, including without limitation, the Prevention of Corruption Act of India, 1988 and shall not cause Biocon to be in breach of any anti-bribery or anti-corruption laws and regulation. Supplier represents, warrants and covenants, as of the effective date of this Order to and through the expiration or earlier termination of the Order, (i) that the Vendor, and, to the best of its knowledge, Vendor's representatives, owners, or other third-parties acting for or on behalf of the Vendor (collectively, "Extended Representatives"), shall not, directly or indirectly, offer, pay, promise to pay, or authorize such offer, promise or payment, of anything of value, to any individual or entity, including but not limited to any public official, for the purpose of obtaining or retaining business or any improper advantage in connection with this Order, or that would otherwise violate any applicable law, rules and regulations concerning or relating to public or commercial bribery or corruption ("Anti-Corruption Laws"), (ii) that Vendor's books, accounts, records and invoices related to the Order or related to any work conducted for or on behalf of Biocon or its affiliates are and will be complete and accurate, (iii) Vendor has a compliance program and is committed to ethical and lawful business practices, including but not limited to having policies and procedures including training to its officers, employees and agents regarding all applicable anti-corruption and anti-bribery laws on an annual basis. Without limiting other rights or remedies, Biocon has the right to terminate this Order, immediately if (a) Vendor or Extended Representatives fails to comply with the Anti-Corruption Laws or with this provision or (b) Biocon has a good faith belief that Vendor or Extended Representatives have violated, intends to violate, or has caused a violation of the Anti-Corruption Laws, (c) Vendor fails to complete a compliance certification, if required by Biocon, or (d) Vendor fails to complete the compliance certification truthfully and accurately and / or fails to comply with the terms of such certification. The failure of Vendor to strictly comply with this shall constitute a

material breach and will result in Biocon having the right to terminate this Order and without penalty and Vendor shall indemnify Biocon for all damages, claims or losses arising out of such breach.

**22. Insurance:** The Vendor will ensure all the goods are insured, at its sole expense, till such stage that the goods are accepted by Biocon. The Vendor shall maintain prudent insurance coverage, including without limitation public liability, employer's liability, occupational disease, commercial general liability (per occurrence for bodily injury and per occurrence for property damage) and Workmen's compensation and shall provide Biocon with necessary certificates and documents as evidence of valid insurance coverage.

**23. Construction of Contract:** This Order shall be governed by and shall be construed in accordance with the laws of India, without reference to its conflict of law provisions. Notices hereunder shall be in writing addressed to the parties as stated in this Order, or to their last known addresses, and shall be effective on delivery. Biocon's remedies shall be cumulative and shall include any remedies allowed by law. Waiver of any remedies by Biocon shall not constitute waiver of any other remedy or any other provisions in this Order.

If any provision in this Order is determined invalid, unlawful or unenforceable to any extent such provision shall be severed from the body of this Order and the remainder thereof shall continue to be valid and enforceable to the fullest extent permitted by law.

All services shall be rendered by the Vendor as an independent contractor and the persons rendering such services shall not be considered employees of Biocon.

**24. Governing Law:** The Order shall be governed by and shall be construed in accordance with the laws of India, without reference to its conflict of law provisions. The Parties agree that they shall in good faith work towards implementation of the Order and any dispute arising out of or in relation to this Order shall be first attempted to be resolved amicably by mutual negotiations, failing which such dispute shall be referred to arbitration to be conducted in accordance with the Arbitration and Conciliation Act 1996, and the rules framed thereunder as amended from time to time ("Rules"). The arbitration shall be held in Bengaluru, India and shall be conducted in English by one (1) arbitrator, mutually appointed by both the Parties in accordance with said Rules. In case, Parties fail to mutually appoint the arbitrator within thirty (30) calendar days of the request by one Party to the other, the Party seeking arbitration shall be free to move to the court of appropriate jurisdiction in Bengaluru, India for appointment of the single arbitrator. The decision of such arbitrator shall be written, reasoned, final, binding and conclusive on the parties, and judgment thereon may be entered in any court having jurisdiction over the parties and the subject matter here.