

Certified Core Components Panel Builder Agreement

This Agreement for CORE COMPONENTS Integration ("**Agreement**") is made and entered on this **1st^h January, 2017** by and between:

SCHNEIDER ELECTRIC INFRASTRUCTURE LTD., a company incorporated under the Companies Act, 1956 and having its registered office at Milestone 87, Vadodara Halol Highway, Village Kotambi, Post Office Jarod, Vadodara – 391510, Gujarat, India (hereinafter referred to as "**SEIL**" which expression shall, unless it be repugnant to, the meaning or context thereof, mean and include the Company and its successors in title of the One Part;
And

xxxxxx Power Limited a company incorporated under the Indian Companies Act, 1956, having its registered office at _____

(hereinafter referred as "**Core Component Partner**") which expression shall unless it be repugnant to the meaning or context thereof, mean and include the company and his successors in title of the Other part.

WHEREAS:

SEIL, *inter-alia*, is engaged in the business of manufacturing and dealing in Medium Voltage Components like HVX, Easypact EXE, and Evolis range of vacuum circuit breakers, LF and SF

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range of SF6 circuit breakers, CBX/CVX range of Vacuum Contactors, Rollarc range of SF6 Contactor, 12, 24 & 36 KV Load break switches, PIX basic kit/Power Module and relays like Sepam, MICOM, Vamp etc.

The Partner is engaged in manufacturing of cubicles and is desirous of integrating the MV COMPONENTS into MV Switchboard for the purpose of selling to the customer or to the end-user, in accordance with the terms and conditions of this Agreement.

Both SEIL and the Partner have agreed to enter into this agreement on the terms & conditions mentioned hereinafter.

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

ARTICLE 1 DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings.

1. SEIL : Schneider Electric Infrastructure Limited.
2. MV COMPONENTS : HVX, Easypact EXE & Evolis range of vacuum circuit breakers, LF and SF range of SF6 circuit breakers, CBX/CVX range of Vacuum Contactors, Rollarc range of SF6 Contactor, 12, 24 & 36 KV Load break switches, PIX basic kit/Power Module and relays like Sepam, MICOM, Vamp etc.
3. PRODUCT : Shall mean the final Medium Voltage Switchboard designed and manufactured by the Partner with the help of Schneider Electric MV COMPONENTS as per the terms and conditions of this Agreement.
4. TECHNICAL INFORMATION : Shall mean information recorded in any material form relating to the Marketing, selling, application, designing, manufacturing, assembling and /testing of the PRODUCT.
5. TERRITORY : Shall mean _____ **Region which shall comprise of states** of _____
6. PROTOTYPE : Shall mean the first set of PRODUCT manufactured by The Partner within the frames of this Agreement, to be certified by the SEIL and other accredited laboratories.
7. STATIONARY : Shall mean letter-heads, visiting cards, catalogues, price-lists, containing Core Component by Schneider Electric Logo as approved by SEIL, and which shall be printed and used by the Partner.
8. PARTIES : Shall mean the PARTIES executing this Agreement, i.e. the Partner and SEIL; and "PARTY" shall refer to either one of them as the case may be.
9. TRADEMARK / LOGO : shall mean all trademarks and logos of SEIL or its affiliates or group companies.

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ARTICLE 2 SCOPE

SEIL hereby grants the Partner a non-exclusive right to perform local production of the PRODUCT using SE manufactured/ supplied MV COMPONENTS, MV breakers and Relays. SEIL shall be responsible to supply MV COMPONENTS and the partner shall incorporate them in the PRODUCT based on its own TECHNICAL INFORMATION, design, tools and services. Though the Partner will use MV COMPONENTS in the PRODUCT and maintain quality standards prescribed by SEIL from time to time, it does not have the right to use SEIL's Trademark and LOGO, other than as agreed under Article 4 and as depicted in Annexure 1, without the express prior written permission of SEIL for the sole purpose of this Agreement

SEIL also grants to the Partner the non-exclusive right to sell the PRODUCT within the TERRITORY, subject to terms and conditions and in accordance with the provisions of this Agreement.

ARTICLE 3 COMING INTO FORCE

This Agreement shall come into existence upon fulfillment of the following conditions:

- 3.1 Signature on this Agreement by both PARTIES;
- 3.2 Successfully manufacturing and validation of PROTOTYPE of the PRODUCT manufactured by the Partner, by SEIL;
- 3.3 Obtaining all necessary authorizations and approvals, from government and other concerned authorities, by the Partner, for implementation of this agreement in the TERRITORY, if any; and
- 3.4 Verification of Type tests done by the Partner at NABL accredited / approved laboratory and issuance of certificate by SEIL's team.

Should the above conditions not be fulfilled within three (3) months from the date of signature hereof this Agreement shall automatically become null and void, unless otherwise agreed by both PARTIES.

ARTICLE 4 PARTNERSHIP TRADEMARK and LOGO

Subject to the provisions of the Agreement and the terms contained herein, the SEIL grants the Partner a non-exclusive and non-assignable right to use the "Core Component by Schneider Electric" label as depicted in **Annexure I** on its STATIONARY, under the control and after taking prior written approval of its design, size, font and color of such from SEIL. In particular, SEIL allows the **Partner to affix "Core Component by Schneider Electric"** label on the Stationery and PRODUCTS, subject to the condition that the Partner shall explicitly affix label as approved by SEIL.

The right to use the "Core Component by Schneider Electric" label is for a limited/restricted purpose and period and shall end at the date of expiry or earlier termination of this Agreement, whatever the reason may be. Except, as mentioned hereinabove the Partner shall not affix the label in any form on the PRODUCT to be sold to the customer or end-user without taking written consent of SEIL.

ARTICLE 5 OBLIGATIONS

- 5.1 The relationship between SEIL and the Partner shall be strictly on a principal-to-principal basis. The Partner shall not represent SEIL in any manner as its agent or partner and shall have no right or authority to make any commitments on SEIL's behalf or bind SEIL in any respect and for any purpose whatsoever and to assign any benefits, rights or obligations herein to any other person, unless otherwise specified and approved by SEIL.

- 5.2 The Partner shall not enter into any partnership of whatsoever kind with any third party to manufacture or sell MV COMPONENTS, provided by SEIL during the validity of this Agreement.
- 5.3 The Partner is hereby notified by SEIL that the technical data and dimensions of the MV COMPONENTS supplied by SEIL are subject to alteration. The figures provided by SEIL relate to performance on the basis of experience gained during various tests. SEIL does not, however, undertake any liability for failure in obtaining equivalent results on any specific installation.
- 5.4 The Partner, shall not sell MV COMPONENTS supplied by SEIL, to any third party for any purpose whatsoever, without taking prior written consent from SEIL. SEIL, at its discretion, shall grant approval, provided the Partner clearly specifies the purpose with details of the third party to whom MV COMPONENTS is to be sold and provide a copy of Purchase Order/sale receipt to SEIL thereafter. SEIL reserves a right to cancel the approval if it has a reason to believe that such sale of MV COMPONENTS results in breach of any of the terms and conditions mentioned herein. The price of sale of MV COMPONENTS shall be decided by SEIL.
- 5.5 The Partner shall not modify any documents or information relating to PRODUCT characteristics without prior written approval from SEIL, especially those transmitted to any customer, or third party.

ARTICLE 6 TECHNICAL OBLIGATIONS and RESPONSIBILITY

The roles and responsibilities of SEIL and the Partner are outlined hereunder.

6.1 SEIL shall be responsible for

6.1.1 Trainings

To provide PRODUCT training on various MV COMPONENTS for adequate duration at SEIL Office / the Partner premises or at such other place as may be mutually decided by the PARTIES. SEIL shall provide such training without any charge, but any expenses including but not limited to lodging and boarding of the Partner's personnel shall be incurred by the Partner themselves.

6.1.2 Technical Support

To provide suitable technical support for design and integration of MV COMPONENTS into the PRODUCT.;

6.1.3 Audits

To conduct annual Audit to verify proper integration of SEIL supplied MV COMPONENTS with the PRODUCT;

6.1.4 New Components

To provide information on new components / adaptations, specific to MV, from time to time.

6.2 The Partner shall be responsible for

6.2.1 Design, Develop and Manufacture PRODUCT

To design, develop and manufacture PRODUCT conforming to relevant IS / IEC Standards, Building codes, Grid codes and Safety Rules.

6.2.2 PROTOTYPE

Successfully manufacture a PROTOTYPE of the PRODUCT. To perform type test the PROTOTYPE at an NABL accredited / approved laboratory for temperature rise / short time withstand / ingress protection, dielectric tests and various other necessary tests in confirmation to recent and relevant standards at its own cost. The Partner is free to conduct additional tests if required for successful working of the PRODUCT. The Partner shall submit copies of all successful type tests report to SEIL.

- 6.2.3 Quality**
To maintain a quality assurance plan and demonstrate adherence to the same during periodic audits by SEIL.
- 6.2.4 Routine Tests**
To maintain adequate manufacturing and routine testing facilities with periodic calibration by accredited organizations.
- 6.2.5 PRODUCT Modifications**
To notify and communicate SEIL, in writing, full information related to any modification in the final PRODUCT. However, partner is not allowed to modify Product / component supplied by SEIL.
- 6.2.6 Procurement of MV COMPONENTS:**
The Partner shall procure and use Schneider MV COMPONENTS, MV Switchgear and Relays and other components required for the PRODUCT which comes under manufacturing range of Schneider Electric. Other components required for the PRODUCT, which are not manufactured by SE, shall be procured from a third party, after mutual discussions and receipt of written approval from Schneider.

ARTICLE 7 COMMERCIAL OBLIGATIONS and RESPONSIBILITIES

7.1 SEIL shall be responsible for

- 7.1.1 Standard Trainings**
To provide a marketing training, related to the MV COMPONENTS, to employees of the Partner
- 7.1.2 Marketing**
Provide reasonable publicity through Intranet / Internet as per SEIL's discretion.
- 7.1.3 Customer Support**
To provide appropriate support to the Customer in its business as per the Agreement, so that both the PARTIES may grow in the market. The Partner should depute his service team to customer site for complaint if any from customer maximum within 48 hours of complaint logging, in case failing to do that , service deputation will be organized by SEIL and charged back to the Partner. Resolution of complaint if any to be done by the Partner maximum within 7 days.
Service spare inventory to be maintained by the Partner and shared with SEIL.
- 7.1.4 Certificate**
Issue a certificate defining validity of the relationship with the Partner, which shall be renewed from time to time depending on the compliance to the agreement and the Partner's performance.

7.2 Partner shall be responsible for

- 7.1.1 Promotion of the PRODUCT**
The Partner commits to allocate its best means to promote PRODUCT technique against any competitor's technique. The Partner undertakes to make regular visits to any potential customers in the TERRITORY and closely co-operate with the SEIL's local branch or subsidiary in order to identify all potential projects and act in a coordinated manner in order to obtain orders.
- 7.2.1 Market Information**
Maintain and share on a monthly basis, information on offers made, orders won/lost, competitor's actions and price levels. Also share commercial intelligence on competition, opportunities and market growth.
- 7.2.2 Sales within Territory**
To manufacture, assemble and sell the PRODUCT within the specified TERRITORY. However, The Partner will be permitted to sell outside the above specified TERRITORY, subject to a prior approval in writing from SEIL on a case to case basis.

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7.2.3 Customer Care

Put in place a sales and commercial organization for serving pre and post order needs of customers and communicate the organization chart to SEIL.

ARTICLE 8 SALES OBJECTIVE and FORECAST

At the beginning of a calendar year, the Partner shall provide SEIL the quantity of PRODUCTS sold during the previous calendar year. The Partner shall also provide forecast for the complete year and three months rolling Forecast.

The PARTIES shall also meet for a business review and decide a sales objective for a particular year. If the sales objective of any year has not been met by more than 50%, then SEIL reserves the right to review the terms of the Agreement.

The sales objective of the Partner to sell the PRODUCTS per year are as follows:

Year	2017	2018
Breaker Quantity (Nos)		
Relay Quantity (Nos)		

ARTICLE 9 PRICES, DELIVERY, PAYMENTS and COMMERCIAL TERMS

Terms and Conditions for prices, taxes, standard delivery times, terms for packing, delivery of goods, warranty, delayed payments and other commercial obligations shall be governed by the Commercial Policy and Price List issued by SEIL, from time to time, attached hereto as Annexure [2].

ARTICLE 10 LIABILITY

The Partner shall be solely responsible for the proper and successful integration of SEIL supplied MV COMPONENTS with its PRODUCT and with components/spares/equipment supplied by any third party. At no point of time shall the Partner hold SEIL responsible or liable for the non-compatibility of the supplied MV COMPONENTS with the Partner's PRODUCT or the integration of the Partner's PRODUCT with SEIL's PRODUCTS or any third party owned components/spares/equipment. SEIL shall in no event be liable for any damages whatsoever (whether in contract, tort, under any warranty including without limitation, special, incidental, consequential, or indirect damages for personal injury, loss of business profits, business interruptions, loss of business information, or any other pecuniary loss) arising out of the use of or inability to use the PRODUCTS/equipment/component/ systems. The Partner shall keep SEIL, its successors, assigns, officers, directors harmless and indemnified against claims, if any, from third parties in respect of acts done by the Partner under this Agreement and against claims/ losses/ expenses/ damages of any kind that may be caused by the Partner by reason of contravention/ violation of any statutory provisions, rules and regulation in force, from time to time.

SEIL shall not be responsible for any liability for any injury caused to personnel or damage to property and material, or which may be caused by the Partner's failure to comply with local production process.

ARTICLE 11 CONFIDENTIALITY and NON DISCLOSURE

Information of technical or business nature or any information provided by SEIL including, but not limited to pricing schedules, manuals, catalogues, customer list or technical specification of MV

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COMPONENTS or information generated as a result of this Agreement shall be considered to be strictly confidential and the Partner undertakes not to disclose them knowingly or unknowingly, to any third party and to take any appropriate step to that effect.

The Partner further agrees that all such information furnished or made available to it hereunder may be disclosed by the Partner only to those employees of the Partner who require access to such information in order to perform their work for the Partner and who agree to maintain such information in confidence.

The Partner shall not use or attempt to use such information, either directly or indirectly, for its own purposes or for any other purpose other than strictly for the purpose of this Agreement.

The Partner shall hold the information securely so as to prohibit unauthorized access, in at least as secure conditions as those applied to the Partner's own trade secrets and confidential information.

The Partner undertakes not to file for a patent or any other intellectual property rights or claim or represent to own any of the intellectual property rights that is linked in any way to the information entrusted to the Partner herein and notably relating to the features of a PRODUCT, a component or a sub-assembly, or material included in the request for an offer, and/or the technologies used to obtain such PRODUCTS, components, sub-assemblies or material, without the prior written authorization from SEIL.

ARTICLE 12 TRANSFER OF AGREEMENT

Neither this Agreement nor any rights or obligations, granted hereunder may be assigned, licensed, extended or otherwise transferred by the Partner, nor shall they inure to the benefit of any trustee in bankruptcy, receiver or other successor of the Partner whether by operation of law or otherwise, without the written consent of SEIL. Any assignment or transfer without such consent and approval shall be null and void and shall constitute a breach of this Agreement.

ARTICLE 12 REPRESENTATION

Neither this Agreement nor any rights or obligations, granted hereunder may be assigned, licensed, extended or otherwise transferred by the Partner, nor shall they inure to the benefit of any trustee in bankruptcy, receiver or other successor of the Partner whether by operation of law or otherwise, without the written consent of SEIL. Any assignment or transfer without such consent and approval shall be null and void and shall constitute a breach of this Agreement.

It is understood that apart from what is stated herein, the Partner or its employees are in no way the legal representatives of SEIL for any purpose whatsoever and have no right or authority to assume or create in writing or otherwise any obligation of any kind expressed or implied in the name or on behalf of SEIL.

ARTICLE 13 TERM, RENEWAL and TERMINATION

13.1 Term

This Agreement shall come into force from the date of signing of this agreement, and shall remain in force for a initial term period valid from **1st January, 2017 to 31st December, 2018 unless terminated in accordance with Article 13.3**

13.3 Termination

13.3.1 Either party may terminate this agreement, if the other party, except for any reason of force majeure as provided for in Article 14 hereinafter, fails to perform any of its obligations under this agreement and does not correct its failure within (30) days of written notice by the other Party, following the receipt of initial notice.

13.3.2 Either Party has right to terminate this Agreement giving one month's prior

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written notice.

13.4 Obligations upon Expiry or Termination of this Agreement

- 13.4.1 In an event of termination any order/s pending at the time of termination of Agreement shall be binding on both the PARTIES. SEIL shall allow the execution of ongoing jobs or the jobs which are signed before termination of this Agreement with written approval from SEIL and vice versa.
- 13.4.2 The termination of this Agreement shall not absolve either Party from any liability, which may have incurred by virtue of this Agreement including payments and applicable taxes.
- 13.4.3 The confidential information together with any TECHNICAL INFORMATION that may be made available to the Partner during the course of this Agreement, the Partner shall cease to have any rights over the same, including the right to retain, use, exploit, operate, or in any other manner apply the same for any commercial or non-commercial purpose, immediately upon the expiry or earlier termination of this Agreement.
- 13.4.4 The Partner shall promptly return all confidential information received in written or tangible form, including copies, or reproductions or other media containing such confidential information, within three (3) days of such request by SEIL or immediately after expiry or termination of this Agreement.
- 13.4.5 The Partner shall return to SEIL all publicity and business promotion materials and tools. Furthermore, the Partner shall immediately refrain and stop displaying / using SEIL's "Core Component by Schneider Electric" Logo on all its Stationery, PRODUCTS and any items on which it is affixed. Any existing Stationery with SEIL's "Core Component by Schneider Electric" Logo shall be destroyed with immediate effect and such label to be removed from the PRODUCTS and a written confirmation of it shall be given to SEIL.

ARTICLE 14 FORCE MAJEURE

Neither Party herein shall be liable for damages or otherwise for any failure or delay to fulfill its obligations under the agreement, if such failure or delay is occasioned by an act of God, war whether declared or not, civil disorder, strike, lock-out, flood, any act of vandalism and terrorism, governmental acts or regulations or other circumstances beyond the control of such party, but all remaining obligations of both PARTIES shall be performed or carried out without interruption.

ARTICLE 15- EXPORT COMPLIANCE

The deliverables provided by SEIL under this Agreement contain or may contain components and/or technologies from the United States of America ("US"), the European Union ("EU") and/or other nations. The Licensee acknowledges and agrees that the supply, assignment and/or usage of the products, software, services, information, other deliverables and/or the embedded technologies (hereinafter referred to as "Deliverables") under this Agreement shall fully comply with related applicable US, EU and other national and international export control laws and/or regulations. Unless applicable export license/s has been obtained from the relevant authority and SEIL has approved, the deliverables shall not (i) be exported and/or re-exported to any destination and party (may include but not limited to an individual, group and/or legal entity) restricted by the applicable export control laws and/or regulations; or (ii) be used for those purposes and fields restricted by the applicable export control laws and/or regulations. SEIL also agrees that the deliverables/components/technologies will not be used either directly or indirectly in any rocket systems or unmanned air vehicles; nor be used in any nuclear

weapons delivery systems; and will not be used in any design, development, production or use for any weapons which may include but not limited to chemical, biological or nuclear weapons. If any necessary or advisable licenses, authorizations or approvals are not obtained, whether arising from inaction by any relevant government authority or otherwise, or if any such licenses, authorizations or approvals are denied or revoked, or if the applicable export control laws and/or regulations would prohibit SEIL from fulfilling any order, or would SEIL's judgment otherwise expose SEIL to a risk of liability under the applicable export control laws and/or regulations if it fulfilled the order, SEIL shall be excused from all obligations under such order and/or this Agreement.

ARTICLE 16 MISCELLANEOUS

- 16.1** The Partner, agrees that, during the term of this Agreement or after expiry or termination of this Agreement, the Partner shall not directly or indirectly solicit, hire or otherwise retain as an employee or sub-contractor a staff member of the other party or a former staff member that is or was involved with or party to the services provided under this Agreement.
- 16.2** SEIL shall have a right to enter the premises of the Partner at any time without prior intimation for the purpose of conducting audit of materials and components used in the PRODUCT.
- 16.3** To implement the Local production and/or sale of the PRODUCT, the Partner shall comply with the laws, decrees and regulations in force in the TERRITORY and as the case may be. Any test or adaptation that should be performed for that purpose shall be carried out by the Partner under its sole responsibility and at its costs.
- 16.4** Any notice required or permitted to be given under this Agreement shall be in writing and forwarded by fax, airmail registered post or recorded delivery to the registered office of the other Party.
- 16.5** Such notices shall operate and be deemed to have been served at the expiration of seven days or if served by fax, twenty four (24) hours from the time of posting and proof that the fax or letter was properly sent or addressed and posted shall be sufficient evidence of service.
- 16.6** Intellectual Property existing prior to the date of this Agreement shall continue to be owned by the party that owned such Intellectual Property immediately prior to the date of this Agreement. No rights are granted by this Agreement, either expressly or by implication, by any party to any other party under any intellectual property rights now or hereafter owned or controlled by a party.
- 16.7** The Partner shall procure from the Sales Tax Authorities, forms prescribed under the Central Sales Tax Act, 1956 or any other enactment for the time being in force, as may be applicable, for the purchase of the PRODUCTS. SEIL reserves the right to withhold credit notes accrued to the Partner till the Sales Tax forms are submitted.
- 16.8** Any dispute arising in connection with the interpretation or execution of this Agreement and not settled by amicable arrangement shall be finally settled under the Arbitration and Conciliation Act, 1996 and amendments made thereto. Arbitration shall take place in New Delhi, India and the preferred language for arbitration shall be English. The validity, construction and performance of this Agreement shall be governed by the laws of India.
- 16.9** Any modifications, change or amendment regarding the terms and conditions of this Agreement shall only be valid if included in a written agreement signed by authorized officers or representatives of the respective PARTIES.

16.10 If after the coming into force of this Agreement any part of this Agreement is declared void and unenforceable by any judicial or administrative authority, this shall not ipso facto nullify the remaining provisions and the PARTIES shall replace the void provision by one having, to the extent permitted, a similar effect and spirit.

16.11 Any failure by either of the PARTIES to enforce any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof, shall in no way affect the validity of this Agreement or any part thereof, or the right of either of the PARTIES thereafter to enforce each and every such provision.

16.12 The total liability of SEIL in this Agreement for any direct damage at any given point of time shall in no event exceed the amount received by SEIL from the Partner in the last three (3) months immediately preceding the event which gave rise to a claim.

ARTICLE 17 ENTIRE AGREEMENT

This Agreement contains entire understandings between the PARTIES and supersedes all previous written or oral understandings, negotiations, memorandum, discussions or agreements, between the PARTIES with respect to the subject matter hereof.

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IN WITNESS HEREOF, the PARTIES hereto have caused this Agreement to be executed in duplicate by their authorized officers or representatives on the day and year first written above.

For and on behalf of
Schneider Electric Infrastructure Ltd

For and on behalf of
xxxxxxx Power Limited

(sign & seal)
Mr. Prakash Chandrakar
Managing Director & Vice President
Energy Business

(sign & seal)
Mr.
Managing Director

In the presence of

In the presence of

1.
(name and signature)

1.
(name and signature)

2.
(name and signature)

2.
(name and signature)

ANNEXTURE – I

The following Logo should be used on STATIONARY by the Partner.

