



Policy of Intellectual Property Compliance Policy for Procurement

1. Purpose

This policy ensures that all materials, services, and products procured from trading partners comply with intellectual property (IP) laws and do not infringe on third-party rights. It establishes due diligence, risk assessment, and accountability measures to mitigate legal and financial risks.

2. Scope

This policy applies to all departments and employees involved in procurement, as well as all vendors, suppliers, contractors, and service providers engaged by the company.

3. Responsibilities

3.1 Procurement Team

- Conduct due diligence on suppliers regarding their IP compliance.
- Require vendors to certify that their goods and services do not infringe third-party IP rights.
- Maintain documentation of IP-related representations and warranties.
- Work with Legal to review contracts for necessary IP protections.

3.2 Legal & Compliance Team

- Evaluate procurement contracts to include appropriate IP indemnification clauses.
- Conduct periodic audits of vendor IP compliance.
- Address and mitigate any IP infringement claims related to procured materials or services.

3.3 Vendors & Trading Partners

- Provide evidence of ownership or licensing rights for all intellectual property associated with their goods or services.
- Indemnify the company against claims of IP infringement.
- Cooperate with audits and compliance reviews.



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4. Due Diligence Requirements

- Verify supplier IP ownership or licensing for key materials and services.
- Require suppliers to disclose any pending IP-related litigation.
- Check government and industry databases for known IP disputes.

5. Contractual Safeguards

All procurement agreements must include:

- **IP Warranty Clause** – A statement affirming that the vendor’s products/services do not infringe on third-party IP.
- **Indemnification Clause** – The vendor must cover legal and financial consequences if an IP dispute arises.
- **Audit Rights** – The company reserves the right to verify compliance.

6. Enforcement & Non-Compliance

- Suppliers found in violation may face contract termination and legal action.
- Employees failing to comply with this policy may be subject to disciplinary action.

7. Review & Updates

This policy shall be reviewed annually and updated as necessary to comply with evolving IP laws and procurement best practices.