

## **GENERAL TERMS & CONDITIONS OF PURCHASE**

### **1. Definitions**

- a) "Buyer" means the company issuing the Purchase Order (P.O.) and also includes successors in the company's interests in the Goods.
- b) "Seller" means the person, firm or company to whom the P.O. is issued, its assignees (including sub suppliers) or successors.
- c) "Goods" means the articles, materials, supplies, drawings, manuals, documents, data, spare parts and services (including but not limited to: advice, design, installation, supervision, inspection, testing, commissioning and assistance) to be delivered, furnished and rendered respectively by Seller in accordance to the P.O.
- d) "P.O." means the Purchase Order together with the documents and purchase conditions mentioned therein.

### **2. Contract**

- a) The Contract shall be deemed to have been entered into by and between the Buyer and the Seller three working days upon receipt of the P.O. The Seller has to inform the Buyer if any deviation or changes of P.O. is needed within the three working days upon receipt of the P.O.
- b) Neither the Buyer nor the Seller shall be bound by a variation, waiver of, or addition to these General Terms & Conditions unless otherwise agreed by both parties in writing.
- c) In the event of any conflict between these General TC and the Purchase Order special conditions of purchase, the conditions mentioned in the Purchase order shall prevail.

### **3. Quality and Description**

The goods which for the purpose of these General Terms and Conditions of Purchase shall mean any items and ordered in any state, per mentioned in "Clause 1 c)" above, shall:

- a) conform to the quality, Specifications contained or referred to in the P.O.
- b) be of first class design and workmanship.
- c) strict adherence in all respects to the drawings, Specifications and instructions provided or given by Buyer.
- d) strict compliance of any local and international regulations, standard or performance specified in the Purchase Order, including but not limited to safety standards, ICAS, OCIMF, LEEA.

### **4. Inspections and Tests by Seller**

- a) Before dispatching the Goods, the Seller shall carefully inspect and test the Goods in compliance with the Specifications and the Purchase Order. In case it is not specified, normal standard inspection and test practices will be adhered to.
- b) The Buyer and/or Buyer's customer shall be entitled to attend such inspection and/or test at the Seller's works.
- c) If, as a result of any inspection or test under Clause 4 b) above, the Buyer is of the reasonable opinion that the Goods do not comply with the P.O., the Buyer shall inform the Seller accordingly in writing and the Seller shall take such steps as may be necessary to ensure such compliance.
- d) Buyer's attendance to such inspection and/or test shall not be interpreted as in any way to imply acceptance of such Goods and shall not relieve the Seller from any responsibility for any defects which may be found during the guarantee period.

### **5. Delivery**

- a) The Seller shall deliver the Goods in accordance with the terms and conditions specified in the P.O.
- b) Such terms and conditions of delivery shall be interpreted in accordance with "Incoterms 2010" (as amended).

### **6. Packing**

The method of packing shall be in accordance with the instructions given by the Buyer and when no instruction is given by the Buyer, the Seller shall take all reasonable steps to prevent damage to and/or deterioration of the Goods in transit to their destination as specified in the P.O.

### **7. Inspection by Buyer**

- a) When the Goods have arrived at the Buyer's designated locations, the Buyer shall inspect the Goods as soon as practical possible.
- b) If, as a result of the inspection under Clause 7 a) above, the Buyer finds that the Goods do not comply with the Purchase Order, the Buyer may, by immediate notice in writing to the Seller, reject such Goods and may take the following steps:
  - i) the Buyer may require the Seller, within the time instructed by the Buyer, to repair or replace the rejected Goods with Goods which comply with the P.O.
  - or
  - ii) the Buyer may return the rejected Goods and purchase elsewhere as nearly as practicable to the Specifications,

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## GENERAL TERMS & CONDITIONS OF PURCHASE REVISION JANUARY 2021 MOOREAST ASIA PTE LTD

requirements and standards, as circumstances permit.

In either case, the Seller shall pay to the Buyer the amount of any extra cost and expenses incurred, including but not limited to the differences in price, to rectify the Goods to required specification, additional transportation or logistical expenses.

c) The Seller shall be responsible for any latent defects not discoverable by the Buyer during such inspection.

### 8. Delivery Time

a) Seller is responsible to take all appropriate dispositions to avoid delay; costs for such dispositions shall not be reimbursable by Buyer.

b) Seller shall submit a production schedule to Buyer within the time period specified in the Purchase Order. Any deviation from the production schedule will be reported immediately to Buyer.

c) Time is the essence hereof and if any Goods are not delivered within the time specified in this Purchase Order or within a reasonable time if no time is so specified, Buyer may either refuse to accept the Goods and terminate the Purchase Order, or cause Seller to ship the Goods by the most expeditious means of transportation, whereupon any additional transportation charges in excess of those applicable for the usual means of transportation shall be for the account of Seller.

d) In addition the Buyer may recover liquidated damages from the Seller promptly, at the rate of 1% of the contract price for each and every week or a part thereof from the due date of delivery under the P.O., but not exceeding 10% in total.

e) In the event that the delay in delivery time is beyond 2 weeks, the Buyer shall have the right to cancel the Contract or any part thereof without prejudice to all claims of the Buyer for the losses and damages caused by such Seller's default, and the Seller agrees to the following:

i) the Buyer may return part or all of any shipment so far made and may charge the Seller with any loss and expenses sustained directly as a result of such failure in delivery.

ii) the Seller shall promptly refund to the Buyer all sums advanced to the Seller by the Buyer with interest.

The rights and remedies of Buyer under this clause shall not be exclusive and are in addition to any other rights and remedies Buyer has by law.

### 9. Guarantee

a) The Seller shall guarantee the Goods supplied by the Seller (including its subcontractors) for 24 (twenty-four) months after delivery.

b) Any weakness, deficiency, failure, breakdown or deterioration beyond normal wear and tear for the intended service that appears or is discovered as a result of defective material, faulty design or poor workmanship shall be repaired or replaced by the Seller within the time instructed by the Buyer at the Seller's expense.

c) In case of emergency, when the Seller cannot repair or replace within the time instructed by the Buyer, the Buyer or the Buyer's customer will undertake to repair or replace the Goods at the Seller's risk and expense.

d) A fresh guarantee shall be applied under the same terms and conditions as those applicable to the original Goods, to parts supplied in replacement of defective parts or to parts renewed in pursuance of this clause for 24 months after replacement or renewal thereof.

### 10. Price

The prices of the Goods stated in the Purchase Order are fixed during the term of the Contract and shall not be subjected to any adjustments whatsoever the Seller may incur as a result of changes in price, in material and/or labor costs, or variation in rates of exchange. Extensions or changes to the original Purchase Order may be made by Buyer by a supplementary or change order, which automatically will be pursuant to the terms and conditions of the original Purchase Order.

### 11. Changes

Buyer reserves the right to make changes by written order from time to time with regard to materials forming part of the Goods or items to be furnished by Seller, and as to places, times of methods of inspection, acceptance, or delivery. If any such change causes an increase or decrease in cost or time required for performance of this Purchase Order, an equitable adjustment shall be promptly negotiated and the Purchase Order shall be modified accordingly in writing. Any claim by Seller for adjustment under this clause must be asserted in writing within 15 (fifteen) days upon receipt by Seller of notification of the change, and such claim shall be followed within 10 (ten) days by Specification of the amount claimed and supporting cost figures. Changes in execution and/or materials from the original Purchase Order will only be made when Buyer's permission in writing is given.

### 12. Termination

Buyer may at time terminate all or any undelivered part of the Purchase Order or any revisions thereof or any release and shipping schedule pursuant thereto. Seller agrees that any termination charges made in consequence shall be limited to material and labor costs incurred on cancelled items prior to notification of their cancellation by Buyer, to the extent the said costs may not be recovered by Seller selling such items to others, or at Buyer's option to deliver the Goods as they are at the time of termination. Title to the Goods thus delivered will pass to Buyer upon delivery.

# MOOREAST

## GENERAL TERMS & CONDITIONS OF PURCHASE REVISION JANUARY 2021 MOOREAST ASIA PTE LTD

In no case shall the total amount recoverable by Seller as a result of termination exceed the Contract Price. Buyer shall only reimburse Seller for fully substantiated and documented costs.

### 13. Payments

Unless otherwise specified in the Purchase Order, Seller's invoices will be paid net cash within 60 (sixty) days according to the terms of payment stated in these General Terms and Conditions and the Purchase Order, and when all requirements connected with these payments have been fulfilled by Seller. Time will be computed from the date of delivery and acceptance of the Goods by Buyer, or the fulfillment of said requirements.

### 14. Force Majeure

a) Force Majeure shall mean unavoidable causes beyond the control and without fault or negligence of the Seller and/or the Buyer, including but not restricted to, acts of God, war (declared or undeclared), acts of any governmental authorities, riot, revolution, civil commotion, fires, strikes, labor disputes, sabotage or epidemics, but shall not include unforeseen difficulties in manufacture, difficulty in obtaining supplies (unless itself due to Force Majeure), shortage of labor or non-observance of the Seller's subcontractors in carrying out their obligations.

b) In case of the delay and/or non-performance of the obligations on the part of the Seller due to Force Majeure arising within the establishment of the Seller's subcontractors, the Seller may claim Force Majeure only when the Buyer is convinced of the Seller's thorough endeavour to carry out its obligations.

c) Should a case of Force Majeure prevent the total or partial performance required under the Contract, the party claiming Force Majeure shall promptly after such situation occurs advise the other party of the beginning and the expected end of such Force Majeure and shall furnish the other party with convincing evidence such as official certificate from competent authorities substantiating the occurrence and nature of the alleged contingencies, within one week after the end thereof.

d) Cases of Force Majeure declared and substantiated as Clause 14 c) above shall reasonably extend the term of the contractual

obligations of both parties while their duration. For the delay and/or non-performance of the obligations due to Force Majeure, neither party shall be entitled to penalty, interest or any other compensation or participation in damages arising from Force Majeure.

e) In case of the delay and/or non-performance of the obligations by either party exceeds 30 days or to be supposed obviously so, due to Force Majeure, the other party, without any obligations to pay termination charges, shall be entitled to treat the Contract as having been terminated.

### 15. Correspondence

Any and all correspondence shall be made in English, in writing (by letter, telex, fax or emails) to the address as mentioned in the Purchase Order, unless otherwise required by the Buyer.

### 16. Patents

The Seller shall protect, hold harmless and indemnify the Buyer against any and all claims made against the Buyer or his legal representative from all liabilities in respect of any claims, demands, costs, charges and expenses arising from or incurred by reason of any infringement of any patent, registered design, trademark or copyright made against the Buyer and/or his client by any third party for infringement or alleged infringement of patent or similar right in respect of the manufacture, sale and/or use of the Goods or process comprised in the Purchase Order. Seller shall be promptly notified of any claim or action brought against Buyer. Seller has the right to be represented in the defense therefore by counsel of his own selection and at his own expense.

### 17. Indemnification

Seller shall indemnify Buyer against any and all loss of or damage to property or liability for injuries (including death) sustained by anyone, including Seller's and Buyer's employees and Clients, arising out of, or in connection with, the Goods covered by this Purchase Order.

### 18. Buyer - Furnished Property

Seller is fully liable for loss of or damage to Buyer-furnished property, and shall defend, hold harmless and indemnify Buyer accordingly. Seller is precluded from using such property for anyone other than Buyer.

### 19. Confidentiality

Seller acknowledges and accepts that information, including but not limited to engineering data, design drawings and other documents provided to Seller by Buyer, is and shall remain the exclusive property of the Buyer, and that this information is confidential and shall not be divulged to any third party or be used for any other purpose than that for which it was provided without the express written permission of Buyer. All such information shall be promptly returned to Buyer upon request.

### 20. Assignment



**GENERAL TERMS & CONDITIONS OF PURCHASE  
REVISION JANUARY 2021  
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The Contract or any part of it shall not be assigned or transferred to any third party without prior written approval by the Buyer. The Seller shall be prohibited from delegating to its subcontractors any substantial portion of the work to be performed by it under the Contract without prior written consent of the Buyer. Any such consent shall not relieve the Seller of any of its obligations under the Contract.

**21. Ownership**

The ownership of the Goods or part thereof will pass to Buyer upon delivery to Buyer, or as stated in the Purchase Order. Seller warrants that the Goods shall be delivered free and clean of all liens and encumbrances, and shall defend, hold harmless and indemnify Buyer in this respect.

**22. Dispute**

Parties agree to submit to the non-exclusive jurisdiction of the Singapore courts for all disputes, claims or matters arising out of or in connection with this Agreement. The language shall be English.

**23. Law Applicable**

This Agreement shall be governed by and construed in accordance with Singapore law.