

## **PURCHASE ORDER TERMS AND CONDITIONS**

### **1 Interpretation**

#### 1.1 In these Conditions:

**'CONDITIONS'** means the standard terms and conditions of purchase set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in Writing between ST ENGINEERING Group of Companies (herein referred to as ST Engineering) and the Seller.

**'CONTRACT'** means the Form of Agreement and the Order.

**'DELIVERY ADDRESS'** means the address stated on the Order.

**'FORM OF AGREEMENT'** means the form of agreement for the sale and purchase of Goods and the supply and acquisition of Services between ST Engineering and the Seller, including all annexes.

**'GOODS'** means the goods (including any installment of the goods or any part of them) described in the Order.

**'DUE DATE'** means the delivery date of the Goods or completion date of the Services as stated on the Order.

**'ORDER'** means ST Engineering's purchase order to which the Conditions are attached and duly accepted by the Seller pursuant to the Conditions herein.

**'PRICE'** means the price of the Goods and/or the charge for the Services.

**'SELLER'** means the person so described in the Order.

**'SERVICES'** means the services (if any) described in the Order.

**'SPECIFICATION'** includes any plans, drawings, data or other information relating to the Goods or Services.

**'WRITING'** includes writing whether hard written or typed in the form of a telex, cable, facsimile transmission and comparable means of communication.

**'CONTRACTOR'** or **'SUB-CONTRACTOR'** shall mean the Sub-Contractor in this Order

1.2 Any reference in these Conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time.

1.3 The headings in these Conditions are for convenience only and shall not affect their interpretation

### **2 Basis of Purchase**

2.1 The Order constitutes an offer by ST Engineering to purchase the Goods and/or acquire the Services subject to the Conditions. The parties acknowledge that the Conditions shall apply to both Goods and Services to the extent appropriate as the case may be.

2.2 The Conditions shall apply to the Order to the exclusion of any other terms and conditions including any terms and conditions, which the Seller may purport to apply under any quotation, sales offer or similar document.

- 2.3 The Order will lapse unless unconditionally accepted by the Seller in Writing within 14 days from the date of the Order. Upon acceptance, there shall be a binding Contract formed between ST Engineering and the Seller.
- 2.4 Dispatch or delivery of the Goods and/or performance of the Services by the Seller be deemed conclusive evidence of the Seller's acceptance of the Order and the Conditions.
- 2.5 No variation to the Order or the Conditions including any special terms and conditions agreed between the parties shall be binding unless mutually agreed in Writing between the authorized representatives of ST Engineering and the Seller.

### **3 Specifications**

- 3.1 The quantity, quality and description of the Goods and the Services shall, subject the Conditions, be as specified in the Order and/or in any applicable Specification supplied by ST Engineering to the Seller or agreed in Writing by ST Engineering.
- 3.2 Any Specification supplied by ST Engineering to the Seller or specifically produced by the Seller for ST Engineering, in connection with the Contract, together with copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of ST Engineering. The Seller shall not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of the Seller, or if the disclosure or use is required for the purpose of the Contract.
- 3.3 The Seller shall comply with all applicable regulations and other legal requirements concerning the manufacture, packaging and delivery of the Goods and the performance of the Services.
- 3.4 The Seller shall not unreasonably refuse any request by ST Engineering to inspect and test the Goods during manufacture, processing or storage at the premises of the Seller or any third party prior to dispatch, and the Seller shall provide ST Engineering with all facilities reasonably required for inspection and testing.
- 3.5 If as a result of inspection or testing ST Engineering is not satisfied that the Goods will comply in all respect with the Contract, and ST Engineering so informs the Seller of its dissatisfaction within 14 days of inspection or testing, the Seller shall take such steps as are necessary to ensure compliance.
- 3.6 The Goods shall be marked in accordance with ST Engineering instructions and any applicable regulations or requirements of the carrier, appointed by ST Engineering to deliver the goods and properly packed and secured so as to reach their destination in an undamaged condition in the ordinary course.

### **4 Price of the Goods and Services**

- 4.1 The price of the Goods and the Services shall be as stated in the Contract/Order and unless otherwise so stated, shall be:
  - 4.1.1 exclusive of any applicable Goods and Services Tax (which shall be payable by ST Engineering subject to receipt of a GST invoice);
  - 4.1.2 inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods to the Delivery Address any duties, impositions or levies other than value added tax.
- 4.2 No increase in the Price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) by the Seller without the prior consent of ST Engineering in writing.
- 4.3 ST Engineering shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Seller, whether or not shown on its own terms and conditions of sale.

## **5 Terms of Payment**

- 5.1 The Seller shall be entitled to invoice ST Engineering on or at any time after delivery of the Goods or performance of the Services, as the case may be, and each invoice shall quote the number of the Order.
- 5.2 Unless otherwise stated in the Order, ST Engineering shall pay the Price of the Goods and the Services within 45 days of receipt by ST Engineering of the Seller's invoice or after acceptance of the Goods or Services by ST Engineering, whichever is the later.
- 5.3 ST Engineering shall be entitled to set off against the Price any sums owed to ST Engineering by the Seller.

## **6 Delivery, Acceptance and Rejection**

- 6.1 The Seller shall deliver the Goods and/or Services according to the quantities and delivery dates scheduled in the Order. The Seller shall airfreight/ship/deliver the Goods at its own expense as well as be liable for any loss or damage ST Engineering may incur as a result of non-compliance with the delivery schedule. ST Engineering may approve in writing any revised delivery schedule or terminate the Order without liability to the Seller. However ST Engineering shall be liable only for the Price of Goods and/or Services delivered and accepted prior to such termination.
- 6.2 If the Goods are not delivered or the Services not performed on the scheduled dates, ST Engineering shall (without prejudice to any other remedy under the Contract or otherwise) have the right to deduct from the Price or (if ST Engineering has paid the Price) to claim from the Seller liquidated damages for delay at one percent of the Price per day up to a maximum of ten percent.
- 6.3 ST Engineering shall not be deemed to have accepted any part of the Goods until after ST Engineering has (or ST Engineering sub-buyers have) actually inspected the Goods and ascertained that they are in accordance with the Contract. ST Engineering may reject Goods, which are not in accordance with the Contract or Specifications until a reasonable time after such inspection.
- 6.4 ST Engineering may by notice to the Seller prior to acceptance reject any Goods, which are not in accordance with the Contract. ST Engineering may set off against any payment due to the Seller (under this Contract or otherwise) the Price of such Goods. Unless within a reasonable time of receipt of notice of rejection the Seller collects such Goods ST Engineering may dispose of them as ST Engineering shall think fit (provided that if ST Engineering sells such goods ST Engineering shall account to the Seller for the net proceeds of such sale).
- 6.5 Without prejudice to the other rights of ST Engineering for breach by the Seller where any of the Goods supplied to ST Engineering are not in accordance with the Contract the Seller shall at the option of ST Engineering forthwith upon notice being given either repair or replace such Goods. If it is necessary to open up or dismantle any other works or assemblies to permit such repair or replacement then the Seller shall bear the cost of such opening up or dismantling and of re-assembly and making good after repairs, replacements and testing of such goods have been completed to ST Engineering reasonable satisfaction.
- 6.6 If the Seller fails to comply with the notice mentioned in clause 6.5 within a reasonable time of its receipt, ST Engineering may of its own accord repair or replace such Goods and any additional cost and expenses incurred by ST Engineering in so doing shall be borne by the Seller.
- 6.7 If the Goods are damaged on delivery or have been lost in transit, the Seller upon receiving notice from ST Engineering to that effect shall repair or replace free of charge such Goods damaged or lost in transit and due delivery of the goods shall not be deemed to have taken place until replacement or repaired Goods have been delivered by the Seller to ST Engineering. ST Engineering reserves the right to hold such damaged Goods at the Seller's risk or to return them at the risk of the Seller.

## **7 Risk and Property**

- 7.1 Risk of damage to or loss of the Goods shall pass to ST Engineering upon of the Goods by ST Engineering in accordance with the Contract.
- 7.2 The property in the Goods shall pass to ST Engineering upon delivery, unless payment for the Goods is made prior to delivery, when it shall pass to ST Engineering once payment has been made and the Goods have been appropriated to the Contract.
- 7.3 All Specifications (inclusive of patterns, drawings photographs, samples and information) provided by ST Engineering to the Seller shall remain the exclusive property of ST Engineering and shall not be disclosed by the Seller to any third party without ST Engineering's written consent.
- 7.4 All moulds, tools, dies, fixtures, plant or other equipment provided by ST Engineering to the Seller shall remain the exclusive property of ST Engineering and shall be maintained in good order and condition while in the Seller's possession or control and shall be insured by the Seller in the name of ST Engineering on an "all risks" basis for their full replacement cost.
- 7.5 The Seller shall not use ST Engineering's property referred to in clause 7.3 and 7.4 above nor allow it to be used for any purpose other than the supply of Goods in accordance with the Contract.
- 7.6 ST Engineering shall clearly mark ST Engineering's property so that it is clearly identified as belonging to ST Engineering and the Seller shall not deface, obliterate or remove such identifying marks. The Seller shall permit ST Engineering to enter the premises where ST Engineering property is kept to inspect and/or take possession of ST Engineering's property.

## **8 Warranties and Liability**

- 8.1 The Seller warrants to ST Engineering that the Goods and/or Services:
  - 8.1.1 will be of merchantable quality and fit for the purpose made known to the Seller in Writing at the time the Order is placed;
  - 8.1.2 will be from free defects in design, material and workmanship for a period of no less than 1 year for Goods and 6 months for Services;
  - 8.1.3 will correspond with any relevant Specification or sample; and
  - 8.1.4 The Seller warrants to ST Engineering that the Goods and/or Services will comply with all statutory requirements and regulations relating to the sale of the Goods and/or Services.
- 8.2 The Seller warrants to ST Engineering that the Services will be performed by appropriately qualified and trained personnel, with due care and diligence and to such high standard of quality as it is reasonable for ST Engineering to expect in all the circumstances.
- 8.3 Without prejudice to any other remedy, if any Goods and Services are not supplied or performed in accordance with the Contract then ST Engineering shall be entitled:
  - 8.3.1 to require the Seller to repair the Goods or to supply suitable replacement Goods or Services in accordance with the Contract within 7 days upon written notification; or
  - 8.3.2 at ST Engineering's sole option, and whether or not ST Engineering has previously required the Seller to repair the Goods or to supply any replacement Goods and Services, to treat the Contract as discharged by the Seller's breach and require the repayment of any part of the Price which has been paid.

- 8.4 The Seller shall indemnify ST Engineering in full against all liability, losses, damages, costs and expenses (including legal expenses) awarded against, incurred, or paid by ST Engineering as a result of or in connection with:
- 8.4.1 breach of any warranty given by the Seller in relation to the Goods or the Services;
  - 8.4.2 any claim that the Goods infringe, or their importation, use or resale, infringes the patent, copyright, design right, trade mark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any Specification supplied by ST Engineering;
  - 8.4.3 any act or omission of the Seller or its employees, agent or sub-contractors in supplying, delivering and installing the Goods; and
  - 8.4.4 any act omission any of the Seller's personnel in connection with the performance of the Services.

## **9 Termination**

- 9.1 ST Engineering shall be entitled to terminate the Contract in respect of all or part only of the Goods and/or the Services by giving notice to the Seller at any time prior to delivery or performance, in which event ST Engineering's sole liability shall be to pay to the Seller the Price for Goods or Services supplied to and accepted by ST Engineering prior to such termination.
- 9.2 ST Engineering shall be entitled to terminate the Contract without liability to the Seller by giving notice to the Seller at any time if:
- 9.2.1 the Seller makes any voluntary arrangement with its creditor or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for purpose of amalgamation or reconstruction); or
  - 9.2.2 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller; or
  - 9.2.3 the Seller ceases, or threatens to cease, to carry on business; or
  - 9.2.4 ST Engineering reasonably apprehends that any of the events mentioned above is about to occur in relation to the Seller and notifies the Seller accordingly.

## **10 Indemnities**

- 10.1 The Seller shall indemnify ST Engineering against all actions claims or proceedings brought against ST Engineering, its employees, agents or contractors in connection with work performed under the terms of the Contract and all costs incurred except to the extent that they have been occasioned solely and directly by the gross negligence or omissions of ST Engineering, its employees, agents or contractors.
- 10.2 If in the course of the use or operation of the Goods or any part thereof, damage to property occurs or death or personal injury is caused to any person and it is shown that such damage, death or injury is caused or contributed by faulty workmanship on the part of the Seller in the manufacture of the Goods or any part thereof or substandard materials used in the manufacture, the Seller shall indemnify ST Engineering against any claim arising therefrom and all expenses incurred thereby but not further or otherwise than would be the case by the normal operation of law.

## **11 Intellectual Property Rights**

- 11.1 The Seller shall guarantee ST Engineering free and unhindered use of the Goods (provided that the Goods remains in the ownership and control of ST Engineering) provided hereunder and shall indemnify ST

Engineering against costs, damages and interest arising from infringement by either party, or patents or like industrial property rights hereto on condition that:-

- 11.1.1 The activities objected to are a result of the use for which the Goods was provided.
- 11.1.2 ST Engineering shall as soon as possible contact and send all relevant data to the Seller, as soon as a third party makes a claim against ST Engineering.
- 11.1.3 The Seller shall have the right to conduct any action or litigation in respect of the infringement of intellectual property rights and ST Engineering shall do no act or thing which may prejudice the Seller's interest therein nor arrive at any agreement or settlement with any third party without the prior consent of the Seller in Writing. ST Engineering shall co-operate with the Seller in order to mitigate the effect of any third party actions.

## **12 General**

- 12.1 The Seller shall not assign sub-contract license or otherwise dispose of any part of its rights or obligations under the Contract without the prior consent of ST Engineering in Writing.
- 12.2 Any notice required or permitted to be given by either party to the other under these Conditions shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.
- 12.3 No waiver by ST Engineering of any breach of the Contract by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 12.4 If any provision of the Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the remaining provisions shall not be affected thereby.
- 12.5 Unless otherwise stated, the current provisions of the UN Convention on Contracts for International Sale of Goods (Vienna, 1980) shall not be applicable to the Order.

## **13 Survival after Termination or Expiration**

Clauses 5, 6, 7, 8, 10, 11, 12 and 13 shall survive the termination or expiration of the Contract / Order. All other clauses shall also survive if they are so intended in the Contract / Order.

## **14 Arbitration**

- 14.1 Any dispute arising out of or in connection with these Conditions and the Contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC Rules) for the time being in force which rules are deemed to be incorporated by reference into this clause. The Tribunal shall consist of one (1) arbitrator to be appointed pursuant to Rule 7 of the SIAC Rules.
- 14.2 The commencement of any arbitration proceedings under this clause shall in no way affect the continual performance of the obligations of the Seller, except in so far as such obligations relate to the subject matter of such proceedings.

## **15 Reliance**

- 15.1 The Seller accepts that ST Engineering, inter-alia, relies on the skill and judgement of the Seller in the design, manufacture, testing, quality control, reliability and functioning of the Goods or any part or unit thereof and on the judgement and skill of the Seller for any and all of the Services performed.

## **16 Interpretation and Law**

- 16.1 The Contract which shall be based upon the terms and conditions as set out in this Agreement and having been fully discussed and negotiated shall be constructed as written and executed in the English language and shall be governed by and be construed and take effect in all respect according to the Laws of Singapore without any due regard to the conflict of laws principles.

## **17 Gifts, Inducements And Rewards**

- 17.1 ST Engineering shall be entitled to terminate this Agreement immediately and to recover from the Contractor any damages and loss resulting from such termination, if the Contractor shall have offered or given to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of this Agreement with ST Engineering or for showing or forbearing to show favour to any person in relation to any agreement with ST Engineering, or if the like acts shall have been done by any person employed by the Contractor or acting on its behalf (whether with or without the knowledge of the Contractor) or if in relation to any acting on its behalf shall have committed any offence under any law or shall have abetted or attempted to commit such an offence or shall have given any fee or reward the receipt of which is an offence under law.

## **18 Compliance with Vendors Code of Conduct**

- 18.1 ST Engineering expects the Seller, including the Seller's parent entities, subsidiaries, affiliate entities, employees, sub-contractors and other relevant third parties, to commit and comply with the principles expressed in ST Engineering's Vendors Code of Conduct. The Seller is also responsible to ensure that the ST Engineering's Vendors Code of Conduct is clearly communicated to the Seller's employees, sub-contractors and any other relevant third parties in a manner and/or language that is being understood by all. ST Engineering's Vendors Code of Conduct is available at <https://www.stengg.com/vendor-information>.
- 18.2 ST Engineering shall its absolute discretion be entitled to terminate this PO with immediate effect in the event of any breach by the Seller of ST Engineering's Vendors Code of Conduct without being liable to the Seller for any compensation.

## **19 Entire Agreement**

- 19.1 The Parties expressly acknowledge that they have read the Contract and understood its provisions.
- 19.2 The Parties agree that this Contract constitute the entire agreement between them with respect to the subject matter of this Contract and that it supersedes all prior or contemporaneous proposals, quotations, agreements, negotiations, representations, warranties, understandings, correspondence and all other communications (whether written or oral, express or implied) or arrangements entered into between the Parties prior to this Contract in respect of the matters dealt with in it.
- 19.3 No promise, inducement, Representation or agreement other than as expressly set forth in this Contract has been made to or by the Parties.

## **20 Priority of Documents**

- 20.1 In the event of any inconsistencies, priority of documents shall be as follows:
- a) the form of Agreement (if any) ; and
  - b) the Purchase Order



## **21 CONFIDENTIALITY**

- 21.1 Except with the consent of ST Engineering in writing, the Seller shall not disclose the Contract or any provision thereof or any specification, plan, drawing, pattern, sample or any information issued or furnished by or on behalf of ST Engineering in connection therewith ("Confidential Information"), to any person other than a person employed by the Seller in the carrying out of the Contract. The disclosure to any such employee of the Seller shall be made in confidence and on a "need to know" basis. The Seller shall ensure that such of its employee(s) is/are bound by the terms of this Clause. If the Seller is required to disclose any information mentioned herein to its subcontractor for the purposes of performing its obligations under the Contract, it shall be permitted to do so if the Seller ensures that such subcontractors agree in writing to be bound by the confidentiality obligations as set out in the Contract.
- 21.2 Except with the consent in writing from ST Engineering, the Seller shall not make use of any information mentioned herein supplied by ST Engineering for the purposes of the Contract for any other purpose other than the performance of its obligations under the Contract.
- 21.3 All specifications, plans, drawings, patterns or samples mentioned herein shall remain the property of ST Engineering and shall be returned to ST Engineering (together with all copies made) immediately upon termination or completion of the Contract.
- 21.4 This Clause shall survive the performance of, expiration and/or termination of the Contract.

## **22 Records and Audit**

- 22.1 To the extent that the Seller receives any Confidential Information in its performance of this Agreement, the Seller shall, at all times during the term of this Agreement and for a period of five (5) years after the completion of this Agreement, maintain records relating to this Agreement, its performance thereof, and its storage and transfer, where permitted, of such Confidential Information, together with supporting or underlying documents and materials.
- 22.2 The Seller shall at any time requested by ST Engineering, whether during or after completion of this Agreement, and at the Seller's own expense make such records available for inspection and audit (including copies and extracts of records as required) by ST Engineering and its authorized representatives. Such records shall be made available to ST Engineering during normal business hours at the Seller's office or place of business and subject to a three (3) day written notice.
- 22.3 The Seller shall ensure ST Engineering has the rights stated in the foregoing paragraph with the Seller's employees, agents, assigns, successors, and subcontractors, and the obligations of these rights shall be explicitly included in any subcontracts or agreements formed between the Seller and any subcontractors to the extent that those subcontracts or agreements relate to fulfilment of the Seller's obligations to ST Engineering.
- 22.4 This Clause shall survive termination or expiry of this Agreement for five (5) years.