

PART B

THIS SECTION APPLIES TO AND GOVERNS THE PURCHASE OF GOODS AND SERVICES BY THE FOLLOWING COMPANIES, VIZ:

**SINGAPORE TECHNOLOGIES ENGINEERING LTD
ST ENGINEERING IHQ PTE. LTD.
ST ENGINEERING MANAGEMENT SERVICES PTE. LTD.
ST ENGINEERING VENTURES PTE LTD
ST ENGINEERING VENTURES FUND PTE. LTD.
ST ENGINEERING TREASURY PTE. LTD.**

TO THE EXTENT INDICATED BELOW, THIS SECTION SUPPLEMENTS AND AMENDS PART A OF THE GENERAL TERMS AND CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS AND SERVICES, AND FORMS PART OF THESE GENERAL TERMS AND CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS AND SERVICES.

1 SPECIFICATION

- 1.1 IF GOODS ARE DESCRIBED BY THEIR PART NUMBERS IN THE PURCHASE ORDER, THE SELLER SHALL ENSURE THAT THERE HAS BEEN NO CHANGE IN THE SPECIFICATIONS/CHARACTERISTICS OF THE GOODS DESCRIBED BY A PARTICULAR PART NUMBER AND THAT ANY SUCH CHANGES ARE ACCOMPANIED BY PART NUMBER REVISIONS AND SUCH REVISIONS SHALL BE MADE KNOWN TO THE BUYER WHEN THE SELLER RECEIVES THE PURCHASE ORDER. THE BUYER RESERVES THE RIGHT TO CANCEL THE PURCHASE ORDER AND RETURN THE GOODS IF THERE HAS BEEN A CHANGE IN SPECIFICATIONS/CHARACTERISTICS OF ANY GOODS WHICH WERE NOT MADE KNOWN TO THE BUYER AT THE TIME A PURCHASE ORDER IS MADE.

2 INSPECTION AND TESTING

- 2.1 THE SELLER SHALL PRODUCE A SAMPLE FOR APPROVAL WHERE THE GOODS OR SERVICES INVOLVE OR RELATE TO MANUFACTURE. IF THE BUYER IS NOT SATISFIED THAT GOODS INSPECTED AND/OR THE SAMPLE PROVIDED COMPLIES IN ALL RESPECTS WITH THE CONTRACT, THE SELLER SHALL PROMPTLY TAKE ALL STEPS AS ARE NECESSARY TO ENSURE COMPLIANCE WITHOUT AFFECTING THE DELIVERY SCHEDULES OF THE GOODS OR TIME FOR PERFORMANCE OF THE SERVICES.
- 2.2 NOTWITHSTANDING ANY OTHER PROVISIONS, THE BUYER MAY REJECT DEFECTIVE OR NON-CONFORMING GOODS AND SERVICES AND SHALL HAVE NO OBLIGATION TO PAY FOR SUCH GOODS OR SERVICES. NON-CONFORMING OR DEFECTIVE GOODS OR SERVICES SHALL NOT BE CONSIDERED TO HAVE BEEN

DELIVERED OR PERFORMED & SUCH GOODS WILL BE HELD FOR THE SELLER'S INSTRUCTION AT THE SELLER'S COST AND RISK. THE SELLER SHALL, IF THE BUYER SO REQUESTS, REFUND THE BUYER ANY MONIES PAID TOWARDS THE CONTRACT PRICE OF SUCH GOODS. WITHOUT PREJUDICE TO AND IN ADDITION TO THE BUYER'S OTHER RIGHTS AND REMEDIES, THE BUYER SHALL HAVE THE RIGHT TO DEDUCT FROM THE CONTRACT PRICE OR REQUIRE THE SELLER TO PAY, AS LIQUIDATED DAMAGES A SUM CALCULATED AT THE RATE OF 5% OF THE PRICE OF THE GOODS AND/OR SERVICES SO REJECTED.

- 2.3 SELLER SHALL NOTIFY BUYER, AND OBTAIN APPROVAL WHERE REQUIRED, OF ANY CHANGE IN GOODS/SERVICES SPECIFICATIONS, MATERIALS AND PROCESSES, MANUFACTURING LOCATIONS AS WELL AS THE USE OF NON-CONFORMING MATERIAL.
 - 2.4 BEFORE DELIVERING THE GOODS UPON COMPLETION OF THE SERVICES, THE SELLER SHALL CAREFULLY INSPECT AND TEST THEM FOR COMPLIANCE WITH THE SPECIFICATION. THE SELLER SHALL, IF REQUIRED BY THE BUYER, GIVE THE BUYER REASONABLE NOTICE OF SUCH TEST AND THE BUYER SHALL BE ENTITLED TO BE REPRESENTED THEREAT. THE TEST SHALL HEREINAFTER BE REFERRED TO AS THE "ACCEPTANCE TEST".
 - 2.5 THE SELLER SHALL ALSO SUPPLY THE BUYER A COPY OF SELLER'S TEST CERTIFICATE IN RESPECT OF THE ACCEPTANCE TEST DULY CERTIFIED BY SELLER ("ACCEPTANCE TEST CERTIFICATE"). IF THE BUYER'S REPRESENTATIVE WAS PRESENT AT THE ACCEPTANCE TEST, THE ACCEPTANCE TEST CERTIFICATE SHALL NOT BE VALID UNLESS CERTIFIED BY BOTH THE BUYER'S REPRESENTATIVE AND THE SELLER. ENDORSEMENT OF THE ACCEPTANCE TEST CERTIFICATE BY THE BUYER SHALL NOT RELIEVE THE SELLER OF ITS OBLIGATIONS HEREUNDER. SUCH ACCEPTANCE TEST CERTIFICATE SHALL HAVE NO LEGAL EFFECT OTHER THAN SERVE AS A DECLARATION BY THE SELLER THAT IT IS READY TO PROCEED TO THE NEXT PHASE OF THE CONTRACT.
 - 2.6 ALL COSTS, CHARGES AND EXPENSES AND LABOUR FACILITIES AND EQUIPMENT REQUIRED FOR THE ACCEPTANCE TEST SHALL BE BORNE BY THE SELLER.
 - 2.7 THE BUYER SHALL NOT BE UNDER ANY OBLIGATION TO ACCEPT THE DELIVERY OF THE GOODS WHICH HAVE NOT PASSED THE ACCEPTANCE TEST UNDER THIS CLAUSE 2.
- 3 DELIVERY
- 3.1 WHERE GOODS ARE SHIPPED, CLEAN ORIGINAL BILL(S) OF LADING AND OTHER SHIPPING DOCUMENTS SHALL BE FORWARDED PROMPTLY BY THE SELLER TO THE BUYER. SHIPPING SHALL BE ROUTED IN ACCORDANCE WITH INSTRUCTIONS FROM THE BUYER.
 - 3.2 THE BUYER MAY CHANGE THE DELIVERY SCHEDULES FROM TIME TO TIME BY GIVING REASONABLE PRIOR WRITTEN NOTICE TO THE SELLER.

- 3.3 THE BUYER WILL HAVE NO OBLIGATION TO PAY FOR GOODS DELIVERED IN EXCESS OF THE QUANTITIES SPECIFIED IN THE DELIVERY SCHEDULES.

THE BUYER IS ENTITLED TO REJECT ANY GOODS DELIVERED OR SERVICES PERFORMED WHICH ARE NOT IN ACCORDANCE WITH THE CONTRACT AND SHALL NOT BE DEEMED TO HAVE ACCEPTED ANY GOODS OR SERVICES UNTIL THE BUYER HAS HAD A REASONABLE TIME TO INSPECT OR VERIFY THEM FOLLOWING DELIVERY OR COMPLETION OR, WHERE ANY DEFECT WOULD NOT BE APPARENT, WITHIN A REASONABLE TIME AFTER ANY LATENT DEFECT IN THE GOODS OR SERVICES HAS BECOME APPARENT EG UPON INSTALLATION OR USE OF THE GOODS OR ARTICLES.

- 3.4 THE SELLER SHALL PROVIDE THE BUYER IN GOOD TIME WITH ANY AND ALL INFORMATION NECESSARY OR REQUIRED OR REASONABLY REQUESTED BY THE BUYER TO ENABLE THE BUYER TO ACCEPT DELIVERY OF THE GOODS AND/OR PERFORMANCE OF THE SERVICES.

- 3.5 IF THE GOODS ARE TO BE DELIVERED, OR THE SERVICE PERFORMED, BY INSTALLMENTS, THE CONTRACT WILL BE TREATED AS A SINGLE CONTRACT AND NOT SEVERABLE. THE BUYER SHALL BE UNDER NO OBLIGATION TO PAY FOR ANY PART OF THE GOODS OR SERVICES UNTIL FULL AND COMPLETE DELIVERY OR PERFORMANCE IS MADE OR GIVEN.

4 TERMINATION

- 4.1 WITHOUT PREJUDICE TO ITS RIGHTS ACCRUED PRIOR TO TERMINATION, THE BUYER SHALL BE ENTITLED FORTHWITH TO TERMINATE THE CONTRACT IF THE SELLER COMMITS ANY BREACH OF ANY OF THE PROVISIONS OF THE CONTRACT AND, IN THE CASE OF A BREACH CAPABLE OF REMEDY AND PROVIDED THAT SUCH BREACH IS NOT IN THE NATURE OF A REPUDIATORY BREACH, FAILS TO REMEDY THE SAME WITHIN 10 DAYS AFTER RECEIPT OF A WRITTEN NOTICE GIVING FULL PARTICULARS OF THE BREACH AND REQUIRING IT TO BE REMEDIED

- 4.2 UPON TERMINATION OF THE CONTRACT, ALL ARTICLES (EXCEPT FOR THOSE WHICH HAVE BEEN DELIVERED TO AND ACCEPTED BY THE BUYER AFTER COMPLETION OF THE SERVICES) SHALL BE RETURNED FORTHWITH TO THE BUYER IN THE SAME CONDITION AS THEY WERE WHEN SELLER TAKES CUSTODY OF THE SAME AND ALL PAYMENT MADE TOWARDS THE CONTRACT PRICE FOR ALL SERVICES AND GOODS NOT ACCEPTED BY THE BUYER SHALL FORTHWITH BE REFUNDED TO THE BUYER.

- 4.3 UPON COMPLETION OF SERVICES OR DELIVERY OF GOODS OR EARLIER TERMINATION OF THIS CONTRACT, THE SELLER SHALL, IF REQUIRED BY THE BUYER, RETURN TO THE BUYER, OR OTHERWISE DESTROY ALL MATERIALS IN ITS POSSESSION OR CONTROL WHICH CONTAINS CONFIDENTIAL INFORMATION, INCLUDING, WITHOUT LIMITATION, DOCUMENTS, DRAWINGS, CAD DRAWINGS, COMPUTER MEDIA, MODELS, PROTOTYPES, SKETCHES, DESIGNS, AND LISTS FURNISHED BY THE BUYER, INCLUDING COPIES THEREOF MADE BY THE SELLER, AND TO DELETE FROM ITS COMPUTERS AND STORAGE MEDIA ANY SOFTWARE,

DATA FILES, OR CAD FILES CONTAINING CONFIDENTIAL INFORMATION FURNISHED BY THE BUYER.

- 4.4 WHEN MATERIALS HAVE BEEN DESTROYED, THE SELLER SHALL KEEP A RECORD IDENTIFYING AND CERTIFYING COMPLETION OF DESTRUCTION OF MATERIALS AND MAKE AVAILABLE SUCH RECORD TO THE BUYER IF SO DEMANDED BY THE BUYER.

5 LIQUIDATED DAMAGES

THE TIME OF DELIVERY FOR THE GOODS OR PERFORMANCE OF THE SERVICES SHALL BE OF THE ESSENCE. IF THE SELLER FAILS TO DELIVER ANY OF THE GOODS AND/OR FAILS TO COMPLETE THE SERVICES BY THE SCHEDULED DATE, THE BUYER SHALL (IN ADDITION TO ANY OTHER REMEDIES WHICH IT MAY HAVE UNDER THE CONTRACT OR OTHERWISE) HAVE THE RIGHT (I) TO DEDUCT FROM THE PRICE OR REQUIRE THE SELLER TO PAY, AS LIQUIDATED DAMAGES A SUM CALCULATED AT THE RATE OF 0.1% OF THE PRICE OF THE GOODS AND/OR SERVICES SO DELAYED FOR EACH DAY WHICH MAY ELAPSE BETWEEN THE DATE OF SCHEDULED DELIVERY AND THE ACTUAL DATE OF DELIVERY, UP TO A MAXIMUM OF 10% OF THE PRICE OF THE GOODS AND/OR SERVICES SO DELAYED; AND/OR (II) BY GIVING 30 DAYS' NOTICE TO CANCEL ALL OR ANY SUCH ITEMS OF THE GOODS AND/OR SERVICES WHICH HAVE NOT BEEN ACCEPTED BY THE BUYER (REGARDLESS OF WHETHER OR NOT THE SAME IS DUE TO BE DELIVERED OR COMPLETED) WITHOUT BEING LIABLE THEREFORE IN DAMAGES AND OBTAIN THE SAME FROM OTHER SOURCES AND ALL COSTS (INCLUDING BUYER'S COSTS IN SOURCING FOR ALTERNATIVE SUPPLY AND PRICE INCREASES) INCURRED THEREBY MAY, AT THE BUYER'S OPTION, BE DEDUCTED FROM ANY MONIES DUE TO OR MAY BECOME DUE TO THE SELLER (WHETHER UNDER THE CONTRACT OR OTHERWISE) OR SHALL BE RECOVERABLE AS DAMAGES, PROVIDED THE TIME PERIOD FOR CALCULATING LIQUIDATED DAMAGES PAYABLE UNDER SUB-PARA (I) FOR DELAY SHALL CEASE WITH RESPECT TO GOODS OR SERVICES CANCELLED UNDER SUB-PARA (II) AT THE END OF THE 30 DAYS CANCELLATION NOTICE. UPON CANCELLATION BY THE BUYER UNDER SUB-PARA (II), ALL ARTICLES ON WHICH THE CANCELLED SERVICES WERE TO BE PERFORMED SHALL FORTHWITH BE RETURNED TO THE PURCHASER AND ALL PAYMENT (INCLUDING ADVANCE PAYMENT) MADE TOWARDS THE PRICE OF GOODS AND SERVICES CANCELLED SHALL BE REFUNDED FORTHWITH TO THE BUYER.

6. CONTRACT PRICE

- 6.1. THE CONTRACT PRICE OF THE GOODS (AND SERVICES) SHALL BE AS STATED IN THE PURCHASE ORDER AND, UNLESS OTHERWISE STATED, SHALL BE FIRM AND FIXED AND SHALL INCLUDE, WITHOUT LIMITATION, ALL CHARGES FOR PACKAGING, PACKING, SHIPPING, CARRIAGE, INSURANCE AND DELIVERY OF THE GOODS (AND ARTICLES) TO THE DELIVERY ADDRESS (AS SHALL BE ADVISED BY THE BUYER IN WRITING TO THE SELLER) AND ALL DUTIES, TAXES AND LEVIES INCLUDING ALL APPLICABLE SALES TAXES AND VALUE ADDED

TAXES OTHER THAN GOODS AND SERVICES TAX ("GST") CHARGEABLE UNDER THE (SINGAPORE) GOODS AND SERVICES TAX ACT ("ACT"), CAP. 117A. THE BUYER SHALL PAY GST CHARGEABLE ON THE PRICE IF THE SELLER IS A TAXABLE PERSON UNDER THE ACT AND RENDERS A TAX INVOICE IN COMPLIANCE WITH THE ACT.

- 6.2. NO INCREASE IN PRICE MAY BE MADE WHETHER ON ACCOUNT OF INCREASED MATERIAL, LABOUR OR TRANSPORT OR OPERATION COSTS, FLUCTUATION IN RATES OF EXCHANGE, NEW OR INCREASED TAXES OR SURCHARGES OR OTHERWISE, WITHOUT THE PRIOR WRITTEN CONSENT OF THE BUYER.
- 6.3. THE BUYER RESERVES THE RIGHT TO MAKE CHANGES TO THE SPECIFICATION AND/OR DELIVERY SCHEDULES AND THE COST IMPACT (IF ANY) OF SUCH CHANGES SHALL BE AGREED UPON BETWEEN THE BUYER AND THE SELLER.

7. SECURITY

THE SELLER SHALL TAKE APPROPRIATE MEASURES IN ORDER TO PROTECT CLASSIFIED MATERIALS AND INFORMATION, IN ACCORDANCE TO THE BUYER'S NATIONAL LAWS, REGULATIONS AND PRACTICES. SELLER SHALL ENSURE THAT ALL GOODS PRODUCED HAVE BEEN DELIVERED TO THE BUYER AND ANY AND ALL EXCESS GOODS (WHETHER DEFECTIVE OR OTHERWISE) NOT DELIVERED TO THE BUYER HAS BEEN DESTROYED OR STRIPPED DOWN.