



GENERAL TERMS AND CONDITIONS

PURCHASE ORDER FOR SUPPLY OF GOODS

1.0 INTRODUCTION

- 1.1 This PURCHASE ORDER is issued by COMPANY to CONTRACTOR for the supply and delivery of the GOODS as specified in this PURCHASE ORDER and in accordance with the General Terms and Conditions as set forth herein.
- 1.2 This PURCHASE ORDER may include Special Conditions or any subsequent amendments made in writing by COMPANY, from time to time or attached to this General Terms and Conditions. In the event of any inconsistency between this General Terms and Conditions and the Special Conditions, the Special Conditions shall prevail to the extent of the inconsistency.
- 1.3 No condition stipulated by CONTRACTOR shall be effective or binding unless accepted by COMPANY and expressly incorporated into this PURCHASE ORDER.

2.0 DEFINITIONS

In this General Terms and Conditions, the following words and expressions shall have the meanings assigned to them as provided below except where the context otherwise requires:

- 2.1 "COMPANY" means either STEEL HAWK ENGINEERING SDN BHD (1019338-X) or STEEL HAWK BERHAD (1399614-A) or any of its subsidiaries. For the avoidance of doubt, the entities shall be discrete and independent entities and the CONTRACTOR agrees that there can be no conglomeration of any entity.
- 2.2 "CONTRACTOR " means the person or company to whom this PURCHASE ORDER is issued.
- 2.3 "PRICE" means the price payable to CONTRACTOR for the supply and delivery of the GOODS as stated in this PURCHASE ORDER.
- 2.4 "GOODS" means the equipment, materials or products to be supplied by CONTRACTOR to COMPANY as specified in this PURCHASE ORDER.
- 2.5 "GROSS NEGLIGENCE" means any act or failure to act (whether sole, joint or concurrent) by any person or entity which is in reckless disregard of or wanton indifference to, which cause harmful consequences that such person or entity knew, or should have known, such act or failure would have, including on the safety or property of another person or entity.
- 2.6 "WILFUL MISCONDUCT" means any action or omission which was intended to result in and/or wilful disregard to harmful consequences, including, without limitation, harm to health, safety, or property.

3.0 RESPONSIBILITY OF CONTRACTOR TO INFORM ITSELF

- 3.1 CONTRACTOR shall be deemed to have:
 - (a) read and understood this PURCHASE ORDER and this General Terms and Conditions to determine all the necessary services, labour, equipment and materials required for the supply and delivery of the GOODS;
 - (b) obtained for itself in advance a full understanding and knowledge of the delivery location, the surrounding environment and the conditions under which the GOODS are to be delivered.

- 3.2 Any failure by CONTRACTOR to take account of matters which may affect its performance hereunder shall not relieve or release CONTRACTOR from its obligations under this PURCHASE ORDER. CONTRACTOR shall not be relieved or released from any obligation under this PURCHASE ORDER on the ground that it did not or could not foresee any matter which may affect or has affected the discharge of its obligations hereunder.
- 3.3 Without prejudice to the foregoing, CONTRACTOR may request for any additional information it reasonably requires from COMPANY in relation to the GOODS.
- 3.4 No additional payment beyond what is stated in this PURCHASE ORDER shall be paid to CONTRACTOR due to:
- (a) CONTRACTOR's lack of understanding and knowledge of the scope of its obligations hereunder, or
 - (b) CONTRACTOR's incorrect interpretation or conclusion of any data or information; or
 - (c) any additional information in relation to the GOODS furnished by COMPANY pursuant to Clause 3.3 above.

4.0 RESPONSIBILITY OF CONTRACTOR TO INFORM COMPANY

- 4.1 CONTRACTOR shall notify COMPANY without undue delay of all things that are or may appear to be:
- (a) in conflict with any applicable law; or
 - (b) deficiencies, omissions, contradictions, mistakes or ambiguities in this PURCHASE ORDER.
- 4.2 Failure to notify COMPANY of deficiencies, omissions, contradictions, mistakes or ambiguities in this PURCHASE ORDER shall be deemed to be CONTRACTOR's confirmation that there are no deficiencies, omissions, contradictions, mistakes or ambiguities in this PURCHASE ORDER. However, if COMPANY does receive such notice, COMPANY shall review the same and issue the necessary clarification before CONTRACTOR proceeds with the delivery of the GOODS hereunder. CONTRACTOR shall not proceed with the delivery of the GOODS prior to receiving such clarification.
- 4.3 CONTRACTOR shall notify COMPANY immediately of any impending or actual stoppage of work, industrial disputes or other matters affecting or likely to affect the delivery of the GOODS.
- 4.4 CONTRACTOR shall keep COMPANY fully informed of the progress of the delivery of the GOODS and shall comply with any reporting requirement as set out by COMPANY.

5.0 PRICE

- 5.1 COMPANY shall pay CONTRACTOR the PRICE for the satisfactory delivery of the GOODS in accordance with this PURCHASE ORDER. The PRICE shall remain fixed and firm and shall be deemed to be inclusive of labour, materials, transport, delivery, handling, packing, packaging, and other related charges and services necessary for the successful and complete delivery of the GOODS.
- 5.2 COMPANY shall have the right, by written notice to CONTRACTOR, to make from time to time changes as to packing, testing, specifications, design and delivery schedule. COMPANY shall, immediately upon receiving such written notice, notify COMPANY of any increase or decrease in the PRICE caused by such changes and an equitable adjustment in the PRICE and/or other terms hereof shall be mutually agreed upon in a written amendment to this PURCHASE ORDER.
- 5.3 Any increase to the PRICE must receive the unqualified acceptance of the COMPANY, which shall be communicated to the CONTRACTOR by the issuance of a VARIATION ORDER or new Purchase Order. For the avoidance of doubt, the COMPANY shall not be liable to pay the CONTRACTOR for any sum over and above what is stated in the PURCHASE ORDER (subject to all necessary deductions, reductions, set-off, costs, damages and loss caused by the CONTRACTOR to the COMPANY, if so applicable).

6.0 PACKING

- 6.1 All GOODS shall be adequately and suitably packed so as to protect the GOODS from any damage. The PRICE shall be deemed to be inclusive of the cost of wrapping, packing, crating, pelleting, marking, boxing and carriage.
- 6.2 In the event of any damage to the GOODS due to inadequate, unsuitable or defective packing, COMPANY shall be entitled to reject the GOODS at any time before or upon delivery and CONTRACTOR shall forthwith, at COMPANY's option, either repair or replace such damaged GOODS at CONTRACTOR's sole cost and expense.

7.0 DELIVERY

- 7.1 The GOODS shall be delivered to the delivery address by the date or within the period as stated in this PURCHASE ORDER. Delivery shall be made on work-days and during COMPANY's business hours.

8.0 PASSING OF TITLE AND RISK

- 8.1 Title in the GOODS shall vest in COMPANY upon delivery of the GOODS to, and acceptance of the GOODS by COMPANY pursuant to the terms hereof or full payment by CONTRACTOR of the PRICE, whichever is the earlier.
- 8.2 Risk in the GOODS shall remain with CONTRACTOR until the GOODS are delivered to COMPANY pursuant to the terms hereof.

9.0 INVOICING AND PAYMENT

- 9.1 CONTRACTOR shall submit its invoice to COMPANY upon COMPANY's unqualified acceptance of the GOODS. CONTRACTOR's invoices shall be submitted together with all supporting documents as required by COMPANY. For the avoidance of doubt, mere submission of the Invoices shall not be deemed to be any acceptance and/or acknowledgement of the sums claimed by CONTRACTOR. COMPANY shall reserve the full and unqualified right to vet and assess the quality, workmanship and suitability of the GOODS delivered by the CONTRACTOR. The CONTRACTOR agrees to be so bound by any assessment made by COMPANY and to do all rectification and/or restitution that shall be deemed necessary by COMPANY, at its (CONTRACTOR's) own cost.
- 9.2 Unless otherwise stated herein, COMPANY shall make payment within ninety (90) days of receipt of correct and original CONTRACTOR's invoices together with complete supporting documents fully verified and accepted by COMPANY. If the ninety (90th) day falls on a Saturday, Sunday or a gazetted public holiday, the next working day shall be deemed to be the due date for payment. Should the COMPANY require any extension of time, the same shall be communicated to the CONTRACTOR. The CONTRACTOR shall not unreasonably withhold agreement to a request for an extension of time by the COMPANY.
- 9.3 COMPANY may withhold, without interest, any disputed amount in any of CONTRACTOR's invoices until settlement of the dispute.
- 9.4 All payments to CONTRACTOR by COMPANY under the terms of this PURCHASE ORDER shall be in Ringgit Malaysia ("RM") or such other currency as may be agreed.
- 9.5 Upon notification of any erroneous billing made by or payment made to CONTRACTOR by COMPANY, CONTRACTOR shall within seven (7) days, issue a credit or debit note and refund to the COMPANY any amounts of overpayment. Until the required credit or debit note is issued, COMPANY shall be entitled to withhold any payment due to CONTRACTOR.

9.6 Payments made by COMPANY under this PURCHASE ORDER shall not preclude the right of COMPANY to thereafter dispute any of the items invoiced and in no event shall any such payment affect the warranty obligations of CONTRACTOR. Any payment made shall be without prejudice to any other right or remedy available to COMPANY.

10.0 TAXES

10.1 All taxes, duties, assessments, royalties or other charges in connection with this PURCHASE ORDER whether or not in effect on the date of this PURCHASE ORDER imposed or levied on COMPANY directly or indirectly or retrospectively by any governmental or regulatory authority or in accordance with law from time to time, shall be borne by CONTRACTOR PROVIDED ALWAYS that all Sales Tax and Services Tax imposed by the Government in connection with this PURCHASE ORDER shall be borne by COMPANY.

10.2 CONTRACTOR shall have the right to withhold taxes and deduct sums from payments due to COMPANY in the event that such withholdings are required by law. Such withholding and deduction shall relieve COMPANY of further obligation with respect to any amount withheld and/or deducted.

11.0 PERFORMANCE GUARANTEE

11.1 If so required by COMPANY , CONTRACTOR shall, within seven (7) days of receipt of this Purchase Order, furnish to COMPANY a performance guarantee as security for the due performance by CONTRACTOR of its obligations hereunder in the form of an irrevocable and unconditional first call bank guarantee issued by a registered bank operating in Malaysia in terms acceptable to COMPANY. The value of the bank guarantee shall be 5% of the PRICE and shall be valid from the date of this PURCHASE ORDER until thirty (30) days after the expiry of the warranty/defects liability period under Clause 12.0 of this General Terms and Conditions.

11.2 Any payment to be made by COMPANY to CONTRACTOR under this PURCHASE ORDER shall be subject to CONTRACTOR having first delivered the performance guarantee to COMPANY. Failure by CONTRACTOR to deliver the performance guarantee to COMPANY within the stipulated time shall give COMPANY the right to cancel this PURCHASE ORDER in which event COMPANY shall not be liable in any way for costs, damages or any other loss suffered by CONTRACTOR arising from CONTRACTOR's cancellation of this PURCHASE ORDER, but without prejudice always to COMPANY's right to claim compensation from CONTRACTOR for any cost, expense, loss or damage suffered by COMPANY arising from CONTRACTOR's aforesaid failure.

11.3 In the event COMPANY agrees to make any advance payment of a part of the PRICE to CONTRACTOR, as a pre-condition of the advance payment, CONTRACTOR shall furnish COMPANY with a performance guarantee as security for the advance payment in the form of an irrevocable and unconditional first call bank guarantee issued by a registered bank operating in Malaysia in terms acceptable to COMPANY. The value of the bank guarantee shall be equivalent to the advance payment and shall be effective from a date before the advance payment is made and for a period to be determined by COMPANY.

12.0 WARRANTY

12.1 CONTRACTOR warrants that the GOODS supplied hereunder comply in all respects with this PURCHASE ORDER and the specifications, and are new and unused, of merchantable quality, free from defects in materials and workmanship, free from any lien or claim and are fit and suitable for the purpose for which they are intended under this PURCHASE ORDER.

12.2 If COMPANY discovers any defect or deficiency in the GOODS or if the GOODS are found to be not in accordance with this PURCHASE ORDER whether by reason of not being of the quality or in the quantity stipulated or being unfit for the purpose for which they are intended, and COMPANY has notified CONTRACTOR of the defect or deficiency, COMPANY shall have the right to reject such GOODS and CONTRACTOR shall, at CONTRACTOR's own cost and without charge to COMPANY forthwith replace the GOODS and/or make good such defect or deficiency.

If CONTRACTOR fails to replace such GOODS within the period stipulated by COMPANY , COMPANY shall have the right to purchase the GOODS elsewhere and CONTRACTOR shall pay COMPANY immediately upon demand any additional expense incurred by COMPANY without prejudice to any other right which COMPANY may have against CONTRACTOR .

- 12.3 CONTRACTOR hereby guarantees that the GOODS supplied under this PURCHASE ORDER are covered by warranty for the period stipulated in this PURCHASE ORDER (“**Warranty Period**”). CONTRACTOR’s scope of warranty shall cover all expenses to replace all GOODS found to be defective during the Warranty Period and all services provided for making good any defective GOODS.
- 12.4 In the event CONTRACTOR obtains more favourable warranties and guarantees from its suppliers/manufacturers, such warranties and guarantees shall be assigned to COMPANY.
- 12.5 Any replacement GOODS supplied hereunder shall be warranted under the same terms and conditions for another period as specified in Clause 12.2 from the date of replacement.
- 12.6 In the event CONTRACTOR and/or its sub-contractor fails to collect any GOODS rejected by COMPANY, COMPANY shall have the right but not an obligation to dispose the rejected GOODS in any manner deemed fit by COMPANY without any further notice to CONTRACTOR. The cost of such disposal shall be for the account of CONTRACTOR.
- 12.7 Payments by COMPANY for the GOODS shall not prejudice COMPANY’s right of rejection.

13.0 ACTIONS ON BEHALF OF COMPANY

CONTRACTOR and its sub-contractor(s) are independent contractors and neither COMPANY nor its subcontractor(s) or any of its or their employees are deemed to be agents or employees of COMPANY. Except otherwise authorized in writing by COMPANY, the CONTRACTOR or its sub-contractor(s) shall have no authority to, and shall not take actions on behalf of COMPANY which bind COMPANY or subject COMPANY to liability or penalty under any law, rule or regulation of any relevant authority.

14.0 LIENS AND CLAIMS

- 14.1 CONTRACTOR shall indemnify and hold COMPANY harmless from, and shall keep the GOODS free of, all liens, claims, attachments, fines and levies created, caused, committed or asserted by CONTRACTOR or its sub-contractor(s) or any third party and all costs, damages, and expenses incidental thereto including without limitation all court costs, legal fees, and other reasonable expenses. CONTRACTOR shall notify COMPANY of such liens and/or claims.
- 14.2 COMPANY shall have the right to retain from any payment to be made to CONTRACTOR under this PURCHASE ORDER an amount sufficient to offset such liens and/or claims which CONTRACTOR fails to discharge promptly until such lien and/or claim is proven to be invalid or is satisfied, discharged, or settled.
- 14.3 Should there be any lien and/or claim after all payments hereunder have been made, CONTRACTOR agrees to refund to COMPANY upon demand all monies that COMPANY may be compelled to pay to discharge any such lien and/or claim in consequence of CONTRACTOR's default including all costs and legal and professional fees.
- 14.4 For the avoidance of doubt, CONTRACTOR shall be obligated to supply the GOODS with special regard to critical and urgent requirements by COMPANY. Should the CONTRACTOR fail to supply the GOODS as requested or should the CONTRACTOR withhold the GOODS, the COMPANY shall be entitled to take all necessary legal action against the CONTRACTOR, including obtaining all mandatory injunctions for the delivery-up of the GOODS to COMPANY.

15.0 DEFAULT

15.1 The occurrence of any one of the following events shall be deemed a default by CONTRACTOR under this PURCHASE ORDER:

- (a) if CONTRACTOR commits any material breach of any of its obligations under this PURCHASE ORDER; or
- (b) if CONTRACTOR commits an act of bankruptcy, becomes insolvent or compounds with or makes an arrangement with its creditors or being a company, has a petition for winding-up presented against it or a winding up order made against it; or
- (c) if CONTRACTOR's relationship with its principal and/or the OEM in respect of the GOODS is terminated or severed; or
- (d) if the GOODS or any part thereof do not conform in full with any relevant specifications, drawings, samples or descriptions as contained in this PURCHASE ORDER; or
- (e) if there are alterations or modifications to the GOODS which are not authorised by COMPANY; or
- (f) if the GOODS are not fit for the purposes for which they are intended.

15.2 In the event of default by CONTRACTOR, and at COMPANY's sole discretion, COMPANY may, if it is of the reasonable opinion that the said default is capable of being remedied, give written notice stating the details of such default and requiring CONTRACTOR to remedy the default within a reasonable period as prescribed by COMPANY. In the event CONTRACTOR fails to complete the remedial action within the period prescribed, or if the default is not capable of being remedied, COMPANY shall have the right, without prejudice to any other right it may have, to withhold any payment due to CONTRACTOR and/or terminate or cancel this PURCHASE ORDER or part hereof.

15.3 In the event of termination of this PURCHASE ORDER or part hereof in accordance with this Clause 15.0, COMPANY shall have no other obligation save to pay for GOODS which have already been delivered in good condition and in accordance with the requirements of this PURCHASE ORDER and accepted by CONTRACTOR provided always that COMPANY shall have the right to set off any additional costs incurred by COMPANY on account of the cancellation against any amount due to CONTRACTOR.

16.0 FORCE MAJEURE

16.1 Neither COMPANY nor CONTRACTOR shall be liable for any failure to perform any of its obligations under this PURCHASE ORDER to the extent that such failure is due to an event of force majeure.

16.2 Such force majeure event shall not relieve that Party of liability in the event of its failure to use due diligence to overcome and/or mitigate the effect of the event of force majeure.

16.3 Such force majeure event shall not relieve a Party of liability unless it gives written notice of the full particulars of the force majeure to the other Party as soon as reasonably possible after the occurrence of the force majeure event relied on, and like notice shall be given upon termination of such force majeure event.

16.4 In case of force majeure, each Party shall be responsible for its own costs resulting from such force majeure event.

16.5 An event of force majeure is an event beyond the control of both or either of the Parties. The events falling within "force majeure" include but are not limited to occurrences of and consequences arising out of acts of God or force of nature, landslide, unusually severe weather, lightning, earthquakes, tidal waves, acts of war or public enemy, riots, strikes, sabotage or similar unforeseeable events beyond the control and without the fault or negligence of the Parties or any one of them. However, force majeure shall not include the following events:

- (a) late delivery of GOODS caused by congestion at CONTRACTOR's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences; or
- (b) mechanical breakdown of any item of CONTRACTOR's equipment or its sub-contractor's equipment, plant, or machinery; or
- (c) financial distress of CONTRACTOR or its sub-contractor(s).

17.0 INTELLECTUAL PROPERTY RIGHTS

- 17.1 CONTRACTOR shall not use, reproduce or disclose to any party any Intellectual Property belonging to COMPANY, including those developed, obtained, created, written, prepared or discovered by CONTRACTOR through the performance of this PURCHASE ORDER without the prior written approval of COMPANY.
- 17.2 CONTRACTOR warrants that the GOODS supplied by CONTRACTOR do not infringe the Intellectual Property or any other proprietary rights of any person or entity.
- 17.3 CONTRACTOR shall indemnify and hold COMPANY harmless against all losses, claims, demands, proceedings, costs, legal fees, damages, charges, and expenses that may arise by reason of any threatened or actual infringement of Intellectual Property or other proprietary rights belonging to any person or entity in the performance of this PURCHASE ORDER, or through the use by CONTRACTOR and/or COMPANY of the GOODS or any information or materials supplied under this PURCHASE ORDER. Upon receipt of any claim, CONTRACTOR shall promptly notify COMPANY of such claim and allow COMPANY to control the defence, settlement or compromise thereof. CONTRACTOR shall provide COMPANY on request, all needed information, assistance and authority to enable COMPANY to defend the claim. However, if COMPANY does not take the necessary action to defend CONTRACTOR in a satisfactory manner, CONTRACTOR shall be entitled to take over the control of the defence, settlement or compromise thereof at CONTRACTOR's sole cost and expense. For the avoidance of doubt, any claim brought solely against the CONTRACTOR shall be borne solely by the CONTRACTOR.

18.0 CONFIDENTIALITY

CONTRACTOR shall maintain confidentiality of this PURCHASE ORDER and all matters arising out of it which are not in the public domain. CONTRACTOR shall not, without first obtaining the written consent of COMPANY, in any manner or media, advertise or publish the fact that CONTRACTOR has contracted to supply the GOODS to COMPANY.

19.0 GOVERNING LAW

This PURCHASE ORDER is governed by and construed in accordance with the laws of Malaysia. The Courts of Malaysia shall have sole and exclusive jurisdiction to determine any dispute.

20.0 ENTIRE AGREEMENT

- 20.1 This PURCHASE ORDER together with any Special Conditions attached hereto constitute the entire agreement between the Parties and supersedes all prior negotiations, representations or agreements related to this PURCHASE ORDER, either written or oral, including COMPANY's invitation to bid document and CONTRACTOR's bid proposals, except to the extent they are expressly incorporated into this PURCHASE ORDER. No changes, alterations, or modifications to this PURCHASE ORDER shall be effective unless in writing, and executed by the authorized signatories of CONTRACTOR and COMPANY.
- 20.2 No condition stipulated by CONTRACTOR shall be effective or binding unless accepted by COMPANY and expressly incorporated into this PURCHASE ORDER.

21.0 NON-EXCLUSIVE AGREEMENT

This PURCHASE ORDER is non-exclusive and COMPANY reserves the right to engage other contractors to supply goods which are similar or identical to the GOODS.

22.0 SUBCONTRACTING AND ASSIGNMENT

22.1 CONTRACTOR shall obtain COMPANY's written approval before COMPANY can subcontract or assign any part of this PURCHASE ORDER or any money due under this PURCHASE ORDER. Any approval granted by COMPANY shall not release nor relieve CONTRACTOR of any of its obligations under this PURCHASE ORDER.

22.2 CONTRACTOR shall be fully responsible for any and all acts, defaults, and omissions of any sub-contractor, and persons either directly or indirectly employed by the sub-contractors, to the same extent as if they are the acts and omissions of CONTRACTOR or persons directly or indirectly employed by CONTRACTOR.

23.0 NOTICES

All instructions, notifications, agreements, authorisation, approval and acknowledgment under and in connection with this PURCHASE ORDER shall be in writing and shall be deemed to have been properly given or made if addressed to the premises and/or to the Parties' addresses as specified in this PURCHASE ORDER. In the event that for reasons of expediency a verbal instruction is given by COMPANY to CONTRACTOR, such instruction shall be confirmed in writing by COMPANY within twenty-four (24) hours of the verbal instruction being given. Only properly directed communications as set forth herein shall be considered to have contractual validity.

24.0 EXPEDITING

24.1 COMPANY or its appointed contractor shall have the right to visit CONTRACTOR's plants and those of its sub-contractors' for purposes of expediting at any time prior to shipment of the GOODS. CONTRACTOR and its sub-contractors shall allow COMPANY or its appointed contractor access to their works at all reasonable times. CONTRACTOR's sub-orders shall carry a condition to this effect.

24.2 Any expediting undertaken by COMPANY or its appointed contractor or a lack or absence thereof shall not relieve or release CONTRACTOR or its sub-contractors from their responsibilities to ensure that the GOODS are delivered in accordance with this PURCHASE ORDER.

25.0 INSPECTION

COMPANY or its appointed contractor shall have the right to inspect and witness tests and to survey the quality of GOODS at CONTRACTOR's or its sub-contractor's facilities at any time before the delivery of the GOODS. CONTRACTOR shall provide or cause to be provided every facility to COMPANY or its appointed contractor to allow COMPANY to undertake the foregoing. CONTRACTOR's failure to allow COMPANY or its appointed contractor the right to make such visits for the foregoing purposes may result in rejection by COMPANY of the GOODS.

26.0 LIQUIDATED DAMAGES

26.1 If CONTRACTOR fails to deliver the GOODS within the delivery period or by the delivery date as specified in this PURCHASE ORDER for reasons other than Force Majeure, then CONTRACTOR shall pay to COMPANY liquidated damages and not a penalty in a sum equivalent to one per cent (1%) of the PRICE for each day of delay or pro-rata for a part thereof up to maximum of ten per cent (10%) of the PRICE.

26.2 In the event that the delay exceeds the number of days allowable within the aforementioned limit of payable liquidated damages, COMPANY reserves its right to terminate this PURCHASE ORDER.

26.3 COMPANY may, without prejudice to any other method of recovery, deduct the amount of such liquidated damages from any payment due to or which may become due to COMPANY including invoking the performance guarantee furnished by CONTRACTOR hereunder.

27.0 **SUSPENSION**

27.1 COMPANY shall have the right to suspend this PURCHASE ORDER or any part hereof for the following reasons by giving no less than three (3) days' prior written notice to CONTRACTOR specifying the effective date of the suspension including where possible, the anticipated period of suspension:

- (a) Force majeure as per Clause 16.0;
- (b) Upon the occurrence of CONTRACTOR's default; or
- (c) For any other operational reason as deemed fit by COMPANY.

27.2 Neither CONTRACTOR nor COMPANY shall be liable to the other party for loss of anticipated profits or consequential loss sustained on account of any suspension of this PURCHASE ORDER or part hereof.

27.3 COMPANY may, at any time, authorize resumption of all or any suspended part of this PURCHASE ORDER by giving notice to CONTRACTOR specifying the part to be resumed and the effective date of withdrawal of suspension. Upon receipt of such instruction, CONTRACTOR shall resume work on this PURCHASE ORDER.

28.0 **TERMINATION**

28.1 **Termination Without Cause**

- (a) COMPANY may at any time, terminate without cause this PURCHASE ORDER by giving no less than thirty (30) days prior written notice to CONTRACTOR and specifying the effective date of termination.
- (b) Upon receipt of a notice of termination from COMPANY under Clause 28.1(a), CONTRACTOR shall forthwith perform all necessary works to exit this PURCHASE ORDER and submit its final invoice to COMPANY within fourteen (14) days from the effective date of termination for all amounts incurred up to the effective date of termination including any cancellation charges imposed by manufacturers or OEMs. Said invoice shall be subject to all clauses above.
- (c) In the event of termination hereunder, the Parties shall each be released and discharged from any claims by one against the other in connection with the termination. Neither Party shall be liable to the other for loss of anticipated profits sustained on account of such termination.

28.2 **Termination With Cause**

COMPANY shall have the right to terminate this PURCHASE ORDER in the event of default by CONTRACTOR under and subject to Clause 15.0, by giving no less than seven (7) days prior written notice to CONTRACTOR and specifying the effective date of termination.

29.0 **INSURANCE**

29.1 Without prejudice to the CONTRACTOR's liability and responsibilities as contained elsewhere in the CONTRACT, the CONTRACTOR shall procure and maintain at its own cost and expense during the performance of this COMPANY in the joint names of the COMPANY, CONTRACTOR and Client (if required) the following insurance applicable to its operations with respect to and for the duration of the CONTRACT:

- (a) Workmen's Compensation and/or Employer's Liability Insurance covering adequately the employees, servants and agents of the CONTRACTOR and any sub-supplier as required by the Workmen's Compensation Act 1952 or similar statutory social insurance laws and/or the common laws of any nation or political sub-division thereof to which the CONTRACTOR's or any sub-contractor's operations under the CONTRACT are subject.
- (b) Comprehensive Automobile Liability Insurance covering owned, non-owned and hired automobiles by the CONTRACTOR providing unlimited cover for injury or death.
- (c) "All Risk" Property Damage and Transit Insurance; CONTRACTOR shall provide all risks insurance covering CONTRACTOR equipment at all times during the duration of this PURCHASE ORDER including, but not limited to, losses occurring at the work site and/or transit to or from the work site and/or between the work site.
- (d) Comprehensive General Liability Insurance covering the CONTRACTOR's legal and contractual liabilities for loss or damage to property, bodily injury or death, for any one incident or series of incidents arising from any one event and unlimited in the aggregate. Such insurance shall include but not be limited to, where applicable, pollution liability insurance, protection and indemnity risks, automobile public liability, and non-owned aircraft liability.

Guideline for Limit of Liability for Comprehensive General Liability Insurance applicable only for supply & delivery:

	<u>Contract Value</u>	<u>Limit of Liability</u>
(i)	Below RM500K	(RM Contract Price)
(ii)	RM500K to RM1 Million	RM1 Million
(iii)	RM1 Million to RM5Million	RM5 Million
(iv)	Above RM5 Million	RM10 Million

- 29.2 CONTRACTOR shall cause COMPANY and its applicable parent companies, subsidiaries, affiliates, shareholders, consultants and their respective directors, board members, agents, officers and employees to be included as additional assured and covered by all insurance as stipulated in this Clause 19 with respect to the operations conducted under this CONTRACT and shall cause the insurers thereof to waive all express or implied rights of subrogation against such parties and their respective directors, employees, officers and agents.
- 29.3 All deductibles, exceptions and exclusions applicable to the foregoing insurance shall be for the account of and be paid by the CONTRACTOR. Any breach of conditions and/or warranties contained in such policies of insurance shall also be for the account of the CONTRACTOR.
- 29.4 The CONTRACTOR shall fully indemnify COMPANY against loss or damage arising out of any failure to effect or maintain insurance specified by CONTRACT or out of any act or omission which invalidates the said insurances.
- 29.5 No later than 14 days after the EFFECTIVE DATE or any extension granted by COMPANY, the CONTRACTOR shall furnish to COMPANY original certificates of insurance evidencing:
- (a) Types, coverage, effective and expiration dates of insurance policy;
 - (b) Territorial limits include all locations where work is to be carried out;
 - (c) Compliance with se-insured, waiver of subrogation and cross liability;
 - (d) Full payment of premium;
 - (e) that the CONTRACTOR shall give a thirty (30) day prior written notice to COMPANY before any material amendment to, or cancellation of, the insurance policy.
- 29.6 The furnishing of certificate of insurance or other documents of insurance shall not be interpreted as implying that COMPANY assumes responsibility for the correctness of such policies or documents or that the CONTRACTOR has complied with its other obligations contained in this CONTRACT or relieve the CONTRACTOR of any obligation or liability under the CONTRACT.
- 29.7 The CONTRACTOR and its sub-supplier(s) shall not commence work until all the insurances that the CONTRACTOR is required to provide are in force.

- 29.8 Should the CONTRACTOR at any time neglect or refuse to provide or renew/ extend any insurance required herein, or should any insurance be cancelled, notice of such cancellation should be furnished to COMPANY before cancellation takes effect and COMPANY shall have the right to procure such insurance and, in such event, any sum so paid by COMPANY shall immediately become due and payable to COMPANY by the CONTRACTOR or COMPANY shall be entitled to deduct such sums from any monies due or which may become due to the CONTRACTOR, in addition to any other remedies COMPANY may have under this CONTRACT.
- 29.9 The CONTRACTOR shall notify COMPANY immediately upon receipt of any notice of claims, incidents or demands or of any situation which may give rise to such claims or demands being made under the said policies.
- 29.10 The CONTRACTOR shall ensure that its sub-contractors and/or suppliers maintains similar insurance coverage as specified herein and that its sub-contractors and/or suppliers similarly indemnify and hold COMPANY harmless against all costs, claims and demands. Any deficiencies in the coverage or policy limits of sub-contractors and/or suppliers' insurance shall be for the sole responsibility of the CONTRACTOR.
- 29.11 The amounts of the CONTRACTOR furnished insurance called for herein shall be the minimum and not the maximum limits of liability. The CONTRACTOR may provide other insurance coverage or higher limits of coverage. COMPANY shall not bear any financial liability attributable to deficient insurance coverage by the CONTRACTOR.
- 29.12 COMPANY will not be liable to the CONTRACTOR for damages in excess of the limits of such insurance, and the CONTRACTOR indemnifies and saves COMPANY harmless for all damage or personal injury in excess of such limits.
- 29.13 The COMPANY and CONTRACTOR shall co-operate fully with the insurance the insurance policies specified herein in the event of any claim.
- 30.0 **LIABILITIES AND INDEMNITIES**
For the purposes of this Clause, the term "CONTRACTOR" shall mean CONTRACTOR, its Holding Company and its related companies and its and their respective directors, officers and employees.
- 30.1 **Personnel of CONTRACTOR**
CONTRACTOR shall be responsible for and shall indemnify and hold harmless COMPANY from and against any and all claims, liabilities, costs, damages and expenses of every kind and nature, with respect to injury or death or damage to or loss of property of any person employed by CONTRACTOR howsoever arising.
- 30.2 **Personnel of COMPANY**
CONTRACTOR shall be responsible for and shall indemnify and hold harmless COMPANY from and against any and all claims, liabilities, costs, damages and expenses of every kind and nature, with respect to injury or death or damage to or loss of property of any person employed by COMPANY howsoever arising.
- 30.3 **Third Party.**
CONTRACTOR shall be responsible for and shall protect, defend, indemnify and hold harmless COMPANY from and against any and all claims, liabilities, cost, damages and expenses of every kind and nature, with respect to injury, illness or death of, or damage to or loss of property of any third party arising during and/or as a result of the CONTRACTOR's performance of this PURCHASE ORDER.
- 30.4 **CONTRACTOR's Equipment**
CONTRACTOR shall assume the risk of, and shall be solely responsible for and shall indemnify, defend and hold COMPANY harmless against any claim arising out of any damage to and/or loss or destruction of CONTRACTOR's equipment and property, from any cause whatsoever.

31.0

ANTI CORRUPTION

CONTRACTOR and its sub-contractor(s) and its and their respective directors, officers and employees, representatives and agents shall not violate, breach, or act in any manner inconsistent with any provision of, the Malaysian Anti-Corruption Commission Act 2009 (Act 964). Any breach of this Clause shall be deemed a material breach and notwithstanding Clause 15.0 and Clause 28.0 COMPANY shall be entitled to forthwith terminate this PURCHASE ORDER at any time by giving written notice to that effect to CONTRACTOR. CONTRACTOR shall indemnify COMPANY against all losses, costs, damages and expenses incurred by COMPANY arising from such termination. COMPANY shall not in any way be liable to CONTRACTOR for any payment, cost or expenses on account of such termination.

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