



STANDARD TERMS AND CONDITIONS OF PURCHASE FROM

PT. SEMESTA ELTRINDO PURA

- 1. GENERAL** – This purchase order ("Purchase Order") when accepted by the seller ("Seller") in the manner required constitutes the entire and only agreement between parties hereto and no waiver, alteration or modification of any of the provision hereof shall be binding unless it is agreed in writing and signed by an authorized representative of PT. Semesta Eltrindo Pura (hereinafter referred as "The Company" and or "PTSEP").
- 2. PRICES** – Prices are firm and fixed and not subject to any revision or changes, and shall include all packing and crating (suitable for Ocean transportation and in accordance to The Company's packing instructions) costs. Unless otherwise specified, import/custom duties and taxes and all governmental fees are inclusive. For the Seller, the price shall include all cost relating to safety training, safety provisions (barriers, equipment, personal protective equipment, etc.) when and where necessary, or required by PTSEP or the authorities in respect of ensuring the safety of any person, including public, at the workplace and related insurance.
- 3. INVOICES** – Invoices shall be submitted in duplicate, properly drawn and accompanied by the necessary supporting documents. Payment of invoice shall not constitute final acceptance of goods / services done or be construed as a waiver of The Company's other rights under this Purchase Order. The Company reserved the right to set off any amount owes to the Seller against any amount owed by the Seller or any of its affiliated companies.
- 4. DELIVERY** – Delivery / performance completion dates are of the essence of this Purchase Order. The Seller shall be liable for

any loss or damages The Company may suffer as a result of non-compliance to the delivery / performance completion schedule. In event of foreseeable delay, Seller shall air freight goods / work overtime to make up for loss time at Seller's expense. Over shipment will not be paid for and shall only be returned at Seller's expense. For Seller, in the event of foreseeable delay, the Seller shall work overtime to make up for lost time at Seller's expense. The Seller shall obtain the Company's prior written consent to any proposed sub-contract or assignment of any and all of Seller's rights, duties and/or obligations under this Purchase Order. The Seller shall take sole responsibility for the suitability of the working methods and on no account whatsoever be entitled to claim that he is working under the direction of The Company. The Seller shall conduct risk assessment before the commencement of work so that reasonably practicable steps can be taken to eliminate any foreseeable risk to any person at the workplace. The Seller shall promptly evaluate and resolve any non-compliance with applicable legislations and requirements. Failing which, The Company has the right to stop work in whole or in part. The Seller shall not be entitled to an extension of time or additional fee or damages by reason of, or in connection with, any stop work order in accordance with this clause.

5. CHANGES – The Company reserved the right to make changes to the order in writing, provided such changes are technically feasible. The Seller shall within 2 weeks at the latest and in all cases, prior to carrying out the change, notify The Company of any change in price and delivery / performance completion time. In the absence of such written notice, the Seller shall deemed to have agreed to such change without adjustment for price and delivery / performance time. The Company reserved the right to reject any claim for additional charges or negotiate for a fairer price.





6. INSPECTION – All the goods/services covered by the Purchase Order shall be received subject to the Company's right of inspection, count, testing and rejection. Such right shall be extended to the Company's customers. Payment for goods/services delivered hereunder shall not constitute acceptance thereof, and all payments against documents shall be made with a reservation of rights by the Company for defects in goods/services or documents, including, without limitation, defects apparent on the face thereof.

Seller shall provide and maintain inspection and process control systems acceptable to The Company for production of Goods/services. Records of all inspections by Seller shall be kept complete and available to The Company during the performance of the Purchase Order or for such longer period as may be required by law.

The Company may inspect goods/services at Seller's plant and any other place of manufacture at any time without waiving its right subsequently to reject or revoke acceptance of such goods/services for any defects. Seller, at its expense, shall furnish, or cause to be furnished, facilities and assistance reasonably necessary to ensure the safety and convenience of any such inspections.

Any authorizations, approvals or releases by the Company in connection with the Company's inspections and witnessing (or non-witnessing) of examinations or tests by the Company or its representatives, shall not relieve Seller of any of its obligations and liabilities arising out of or in connection with the Purchase Order or otherwise at law.

No form of inspection report, material or test certification, inspection release note, packing list, release for movement or shipment, or material/delivery receipt issued by or on behalf of The Company shall in any circumstances:

- (a) be taken as acceptance of the goods/services or part thereof by the Company; or
- (b) be construed as confirmation that the goods/services or any part thereof conforms to the requirements of the Purchase Order.

7. WARRANTY – The Seller (if Seller includes the material in the scope of works) shall warrant that the goods are fit for the use and purposes intended, are merchantable, and are free from all defects in design, workmanship and material, and are in strict accordance with the Specification. The Seller agrees to repair, replace or re-perform at The Company's option and at Seller's sole cost any goods found to be defective and non-complying within 36 months after delivery or 24 months after start-up and acceptance or at The Company's option, to reimburse The Company the full cost of remedying such defects or non-compliance. All costs and damages in connection with the defective or non-compliance goods delivered by Seller or relating to the return thereof shall be borne by the Seller. Any inspection, tests, acceptance or use of the goods shall not diminish the Seller's warranty obligations. The Company expressly reserves the right to assign any or all of the above warranties to any third party including, without limitation The Company's customer and The Company's associated companies. The Seller's consent to which is deemed given by its acknowledgement of this Purchase Order.

8. SUB-CONTRACT AND ASSIGNMENT – The Seller shall obtain The Company's prior written consent to any proposed sub-contract or assignment of any and all of Seller's rights, duties and/or obligations under this Purchase Order.

9. INTELLECTUAL PROPERTY WARRANTY AND INDEMNITY – Seller warrants that goods/services do not infringe any patent, copyright or other intellectual property right of any third party. Seller shall hold the Company harmless against and handle,



defend and settle any claim, demand, suit or proceeding brought against the Company or the Company's customers that is based on an allegation that any article, apparatus, material, component or part thereof constituting goods/services, as well as any article, device or process resulting from the intended use thereof or any process or method furnished by Seller for making or using goods/services, constitutes an infringement of any patent, copyright or other intellectual property right, and Seller shall pay all damages and costs awarded therein or all costs incurred and payment due in settlement thereof, including but not limited to any royalties due for the continuing purchase of, or use of goods/services from Seller.

If any article, apparatus, material, component or part thereof, or any device or process necessarily resulting from the use thereof or process or method for using goods/services, is held in such suit or proceeding to constitute infringement or misappropriation and the sale or use of the article, apparatus, material, component, part, device, process or method is enjoined, Seller shall, at its own expense and at the Company's option, either procure for the Company the right to continue using or selling the article, apparatus, material, component, part, device, process or method, or if the form, fit, function or performance thereof will not be materially adversely affected, replace same with a non-infringing article, apparatus, material, component, part, device, process or method, or modify it so it becomes non-infringing, or remove the article, apparatus or material or component and refund the Total Purchase Order Value and the costs for transportation and installation in connection thereof.

10. CANCELLATION – The Company may at any time cancel the Purchase Order in whole or in part by written notice to Seller. Seller shall stop all performance immediately upon receipt of notice except as otherwise directed by The Company. The Company shall pay to Seller an amount due for goods

delivered or services already rendered prior to the termination. Such payment shall constitute Seller's soleremedy.

11. INSURANCES – If this Purchase Order includes services to be performed by Seller at The Company or The Company's customer's premises, the Seller shall indemnify and hold harmless The Company's customer's against any and all losses, claims and expenses by reason of any accident, injury or damages to persons or property arising out of Seller's performance herein. The Seller must carry Workmen's Compensation Insurance as required by law and Comprehensive General Liability Insurance covering all its contractual liabilities under this Purchase Order. Seller shall provide certified copies of such policies upon request by The Company. Such insurances shall not be in limitation of Seller's liabilities under this Purchase Order.

12. INDEMNITY – The Seller shall indemnify and hold harmless The Company and its parent, subsidiary and affiliated companies and their respective employees, officers, directors, authorized representatives and stockholders from all claims, costs, liability, judgment, expenses or losses resulting from any damage to property of customer's, its agents or its contractors or from injury to or death of The Company's customer employees, agents or contractors due to any act, omission or negligence of the Seller, its agents, employees or contractors or arising out of the Seller's performance of this Order or arising out of any breach or alleged breach of this Order or any representation or warranty made by Seller, its agents, employees or contractors. Notwithstanding any provision of this Purchase Order to the contrary, with respect to all losses, damages, costs and claims which are related in any way to the performance of this Purchase Order and which are in favor of or made by third parties, due to personal injury, death, property damage or loss, The Company and the Seller mutually agree that each will indemnify the other to the maximum extent permitted by applicable law from liability



arising therefrom, to the extent that such liability is attributable to the negligent or wrongful acts or omissions of the indemnifying party. Seller assumes the risk of loss or damage to the goods/services to be supplied hereunder until The Company accepts the goods/services. Seller shall be solely responsible for the defense and all defense costs of any and all such claims, demands or suits filed against The Company, its agents or employees by any person or party including but not limited to any employee of Seller even the claims are groundless, false or fraudulent.

13. LIQUIDATED DAMAGES – If the equipments and services are not delivered according to and by the dates specified in the contract or Purchase Order and the delay is solely attributable to the Seller, the Company shall be entitled to claim Liquidated Damages from the Seller. For each full week of delay, a Liquidated Damages of 0.5% (zero-point-five percent) of the value of the goods or services delayed shall be payable by the Seller to The Company.

14. SAFETY – For the purpose of these clauses, "safety" encompasses safety, health and environmental. The Seller shall be expected to be conversant and comply with the safety policies of the Company, including to sign the safety statement required by the Company. The Seller's safety officer/supervisor shall be expected to be at site during working hour whenever necessary. The Seller shall be responsible to ensure all their staff attends all training sessions specified as per site/project requirements.

15. PROPERTY – All tools, drawing, specifications, or other materials furnished by The Company for use in the performance of this order shall be and will remain the property of The Company and shall be returned to The Company when requested upon completion or termination of the order to the extent not previously returned to The Company.

16. TERMINATION – The Company may terminate the Purchase Order by notice in writing forthwith in the event the Seller :

(i) is in default with respect to any material term or condition to be undertaken by it and such default continues un-remedied for a period of thirty (30) days after written notice thereof by the aggrieved party to the defaulting party The Company reserved the right to terminate the Purchase Order and to charge Seller for any and all losses and damages sustained by reason of such delay or failures.

(ii) is affected by a Force Majeure which cannot be removed, overcome or abated within three (3) months; or

(iii) shall make any assignment for the benefit of creditors or shall file any petition in connection thereto, shall file a voluntary petition in bankruptcy, be adjudicated bankrupt or insolvent, if any receiver is appointed for its business or property, or if any trustee in bankruptcy or insolvency shall be appointed for that party (and is not dismissed within sixty (60) days after appointment).

In the event of termination pursuant to this clause, The Company may procure, upon such terms and in such manner as The Company may deem appropriate, goods or services similar or substantially similar to those so terminated; and the Seller shall be liable to The Company for any excess costs occasioned by The Company thereby provided that the Seller shall continue the performance of this order to the extent not terminated

17. FORCE MAJEURE – Neither The Company nor the Seller shall be responsible to each other in any manner whatsoever in the event of failure or delays in delivery/performance due to the events beyond their reasonable control including but not limited to, acts of government or governmental laws and regulations, war (whether declared or otherwise), civil or



military disturbances. Act of God (flood, typhoon, earthquake, epidemic), embargoes, severe fire, sabotage, perils of the sea, strike and labour disputes.

In the event of such delay, the due dates for the performance and or delivery shall be correspondingly extended by a period or periods equal to the duration of such event. For delay lasting for a period of more than (3) months, either of the parties may, with written notice to the party, terminate this Purchase Order.

18. CONFIDENTIAL INFORMATION – All information and materials submitted to the Seller herewith ("Confidential Information") shall be held by the Seller in confidence. Seller shall not disclose Confidential Information to third parties nor reuse Confidential Information in connection or association with service rendered by the Seller hereunder without the prior written consent of The Company. The obligations of the Seller under this clause shall survive termination of this Purchase Order for whatever cause but shall not apply to any information that has validly and properly come into the public domain.

19. CONSEQUENTIAL DAMAGES – In no event shall The Company and The Seller shall be liable to each other for any special or consequential damages of any nature or kind, including, but not limited to loss of profit of revenue, loss of use, loss of data, cost of capital or substitute equipment, loss of production.

20. COMPLIANCE – The Seller shall comply with all laws, rules and regulations applicable in the Republic of Indonesia and/or in the country where services are performed.

The Seller hereby warrants that it will not, directly or indirectly, and it has no knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment to its customers, to government officials or to agents, directors and employees of the Company or any other party in a manner

contrary to applicable laws (including but not limited to the U.S. Foreign Corrupt Practices Act and, where applicable, and signatories implementing the OECD Convention Combating Bribery of Foreign Officials) and shall comply with all relevant laws, regulations, ordinances and rules regarding bribery and corruption

Nothing in this Purchase Order shall render the Company liable to reimburse the Seller for any such consideration given or promised.

The Seller's material violation of any of the obligations contained in this Clause may be considered by the Company to be a material breach of this Purchase Order and shall entitle the Company to terminate this Purchase Order with immediate effect and without prejudice to any further right or remedies on the part of the Company under this Purchase Order or applicable law. The Seller shall indemnify the Company for all liabilities, damages, costs or expenses incurred as a result of any such violation of the above mentioned obligations and termination of this Purchase Order.

The Seller herewith acknowledges and confirms that he has received a copy of the Company's Code of Conduct and the Company's Supplier Code of Conduct or has been provided information on how to access the Code of Conducts online (a copy of which can be accessed on www.ptsep.com). The Seller agrees to perform its contractual obligations under this Purchase Order with substantially similar standards of ethical behavior

Shall the Seller found any violation to the applicable laws and the Company's Code of Conducts, the Seller shall report such violation to the Company.

21. ARBITRATION AND GOVERNING LAW – Any disputes arising out of the interpretation of the terms & condition contained above shall be resolved by Arbitration in accordance with the rules of Indonesian



Board of Arbitration (BANI) in Surabaya, Indonesia and in this connection the Laws of the Republic Indonesia shall be applicable.

22. KNOWLEDGE OF CUSTOMER/SUPPLIER OF THIS TERMS AND CONDITIONS – It is needed for the customer/supplier to read and understand this standard terms and conditions unconditionally. Failure to do so the customer/supplier must comply to this standard terms and conditions unless specified before the PO or Sales was executed. This terms and conditions supercedes the 2nd or 3rd party terms and conditions if any.