



MALAYSIA MARINE AND HEAVY ENGINEERING SDN. BHD. (14558-P)
P.O BOX 77, 81707 PASIR GUDANG, JOHOR, Johor, Malaysia
TELEPHONE (607) 2682111 TELEFAX (607) 2514248



Certification No : KLR 0832922

PURCHASE ORDER (SAMPLE)

SUPPLIER CODE

DATE OF ORDER

ORDER NUMBER

TO:

**Company
Address**

Person In Charge

Email Address

Tel No.

Fax No.

Herein called "SUPPLIER"

You are requested to supply and deliver the following materials (herein called the 'MATERIALS OR EQUIPMENT') based on the terms and conditions indicated in this PURCHASE ORDER and its corresponding documents subject to any special conditions (if any).

Buyer/

Expeditor

Work Category Code

Description

Project No/Cost Center

Project/Cost Center Name

Project Client Name

Delivery Date

Delivery Terms (ICC INCOTERM)

PIC Warehouse

Delivery Location

Terms of Payment

Kindly ensure the D/O is endorsed by the authorized MMHE's warehouse personnel and a copy of the D/O and MAC copy will be attached with the invoice submitted to MMHE Finance Department. Invoices shall only be submitted upon approval of CPC.

Any further inquiries on payment process, kindly liaise with:

FINANCE DEPARTMENT

MALAYSIA MARINE AND HEAVY ENGINEERING SDN. BHD.
P.O. BOX 77,
81700 PASIR GUDANG
TEL: 07 - 2682111
FAX: 07 - 2761037

TOTAL AMOUNT (MYR)

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This PURCHASE ORDER is issued in one (1) copy. Kindly confirm the acceptance of this PURCHASE ORDER by signing in the spaces provided of this PURCHASE ORDER and return the copy to us by fax / email within 24hours of the receipt.

For and on behalf of the SUPPLIER

For and on behalf of

MALAYSIA MARINE AND HEAVY ENGINEERING SDN BHD
(HEREIN CALLED "MMHE")

(This is computer generated document. No signature required)

Authorized Signature/ Company Chop

Name : _____

Designation : _____

Date : _____

Authorized Signature



PURCHASE ORDER (SAMPLE)

SUPPLIER CODE		DATE OF ORDER		ORDER NUMBER			
Item No	PR No	Details	Sub Job	Unit	Quantity	Unit Price	Item Amount
TOTAL AMOUNT (MYR): _____							

PO SPECIFIC CONDITION:

Commercial and Contractual Remarks:

The following documents shall form an integral part of this Purchase Order. In the event of ambiguity, inconsistency or conflict between the documents, they shall be given precedence in the following order:

Exhibit 1 : Particular Conditions, (Ref. No.: MMHE/ITB/SCM/02-REVO)

Exhibit 2 : *General Terms and Conditions of Purchase, (Ref. No.: MMHE/ITB/SCM/03-REVO)

Appendix 1 *Format of Performance Bond Bank Guarantee, (Ref. No.: MMHE/ITB/SCM/04-REVO)

Appendix 2 *Form of Undertaking to Enter into Performance Guarantee by Parental and/or Principal Companies, (Ref. No.: MMHE/ITB/SCM/05-REVO)

Appendix 3 *MHB Group's Code of Ethics and Business Conduct ("CoBE"), (Ref. No.: MMHE/ITB/SCM/06-REVO)

Appendix 4 *MHB 10 Safety Rules Intervention Programme and Consequence Management, (Ref. No.: MMHE/ITB/SCM/07-REVO)

Exhibit 3 : *Special Terms and Conditions for Services, (Ref. No.: MMHE/ITB/SCM/08-REVO)

Exhibit 4 : Scope of Supply (Datasheet, Technical Specification, Codes, Standards, Scope of Works, Technical Drawings, etc as per MMHE Invitation To Bid (ITB) No. XXXX / Request For Quotation (RFQ) No. XXXX dated XX/XX/XX)

Exhibit 5 : Schedule of Compensation (Part C,D,E,F & G - Rates for Vendor Assistance, Optional Items and Spares – wherever applicable), (Ref. No.: MMHE/ITB/SCM/10-REVO)

Exhibit 6 : *Supplier Document Instructions, (Ref. No.: MHHE/ITB/SCM/11-REVO)

Appendix 5 *Sample of Customer Progress Report, (Ref. No.: MMHE/ITB/SCM/12-REVO)

Appendix 6 *Online Certificate Progress Claim (CPC) Submission Material Purchases (Milestone Payment), (Ref. No.: MMHE/ITB/SCM/13-REVO)

Appendix 7 *Online Invoice Submission, (Ref. No.: MMHE/ITB/SCM/14-REVO)

Appendix 8 *Spare Parts Interchangeable Records (SPIR), (Ref. No.: MMHE/ITB/SCM/15-REVO)

Appendix 9 *Variation Order Proposal Form (VOPF), (Ref. No.: MMHE/ITB/SCM/16-REVO)

Appendix 10 *Format for Contract Closure Letter, (Ref. No.: MMHE/ITB/SCM/17-REVO)

Appendix 11 *Format for Contract Closure Certificate, (Ref. No.: MMHE/ITB/SCM/18-REVO)

Appendix 12 *Supplier Document Requirements Listing (SDRL Matrix), (Ref. No.: MMHE/ITB/SCM/19-REVO)

Exhibit 7 : *Supplier Quality Assurance Requirements, (Ref. No.: MMHE/ITB/SCM/20-REVO)

Appendix 13 *Notice of Readiness for Inspection, (Ref. No.: MMHE/ITB/SCM/21-REVO)

Exhibit 8 : *Shipping Instruction, Packing and Marking Guidelines, (Ref. No.: MMHE/ITB/SCM/22-REVO)

Appendix 14 *Packing List Sample, (Ref. No.: MMHE/ITB/SCM/23-REVO)

Exhibit 9 : Tender Correspondences (Techno-Commercial Minutes of Meeting, Face to Face Minutes of Meeting {if any}, Technical Clarifications, Email Correspondences, Supplier's Technical and Priced Proposal)

- Email Correspondences, Email Title. XXXX dated DD/MM/YY

- Techno-Commercial MOM (Commercial), Ref No. XXXX dated DD/MM/YY

- Techno-Commercial MOM (Technical), Ref No. XXXX dated DD/MM/YY

- Face to Face (F2F) Meeting, Ref No. XXXX dated DD/MM/YY

- Technical Clarification (TC) No. 2, Ref No. XXXX dated DD/MM/YY

- Technical Commercial Clarification (TCC) No. 2, Ref No. XXXX dated DD/MM/YY

- Technical Clarification (TC) No. 1, Ref No. XXXX dated DD/MM/YY

- Technical Commercial Clarification (TCC) No. 1, Ref No. XXXX dated DD/MM/YY

- Supplier's Technical and Commercial Proposal, Ref No. XXXX dated DD/MM/YY

The documents marked (*) can be downloaded at <http://www.mhb.com.my/EN/page/business-with-mhb/>. By accepting this Purchase Order, you have agreed to be bound by the terms and conditions contained in each documents.



PURCHASE ORDER (SAMPLE)

GENERAL TERMS AND CONDITIONS OF PURCHASE

Unless specifically stated otherwise, the following clauses shall form the terms and conditions of this CONTRACT.

1.0 DEFINITIONS

1.1 Unless the context otherwise requires, the following terms and expressions whenever used herein shall have the following meanings:

ACCEPTANCE	shall mean the date where MMHE has agreed and accepted that the WORK has been completed in accordance with the CONTRACT and at the expiration of the last GUARANTEE PERIOD;	PURCHASE ORDER PRICE	shall mean the fixed lump sum price as specified in PURCHASE ORDER, in consideration of which the SUPPLIER has agreed to execute the WORK;
ACCEPTANCE	shall mean the certificate issued by MMHE upon ACCEPTANCE; CERTIFICATE	SPECIFICATION	shall mean any and all specification, drawing, schedule and technical document as set forth in the PURCHASE ORDER;
CLIENT	shall mean (COMPANY name), a company incorporated in Malaysia and having its place of business at (COMPANY add) for which the MATERIALS OR EQUIPMENT are to be purchased under the CONTRACT and includes its legal successors or assignees;	SUPPLIER	shall mean [xxxxxx] and having its registered address at [xxxxxx];
CLIENT GROUP	shall mean the CLIENT and its affiliates, its co-ventures and its and their respective directors, officers and employees (including agency personnel);	SUPPLIER GROUP	shall mean the SUPPLIER, sub-suppliers and to the extent they are involved in the subject matter of the PURCHASE ORDER his/her respective affiliates and SUPPLIER's personnel or any of the foregoing as the case may be, but shall not include any member of MMHE group;
CHANGE NOTICE	shall have the meaning assigned to it in Clause 15.3;	SITE	shall mean the place of delivery as stated in the form of the PURCHASE ORDER; and
CHANGE ORDER	shall mean a document to be issued by MMHE which sets forth changes in the CONTRACT and adjustments to the PURCHASE ORDER PRICE or schedule or both, and which sets forth the basis on which the SUPPLIER will be compensated for the change, if applicable;	WORKS	Shall have the meaning assigned in Clause 2.1...
CONFIDENTIAL INFORMATION	shall have the meaning assigned to it in Clause 24.0;	1.2 Unless the AGREEMENT otherwise requires:	
CONTRACT	shall mean this General Terms and Conditions of Purchase, the PURCHASE ORDER and includes any other documents referred to therein;	(a) References to the masculine gender includes the feminine and vice versa;	
DAYS	shall mean "consecutive calendar days", it being understood that all dates and time periods referred to in the CONTRACT relate to the Gregorian calendar;	(b) Headings and table of contents are for ease of reference only;	
DELIVERY DATE	shall mean the date on which the MATERIALS OR EQUIPMENT are to be delivered by the SUPPLIER as further stipulated in Clause 8.3, which may be amended pursuant to the provisions of CHANGE ORDER;	(c) Words importing the singular number includes the plural number and vice versa; and	
EFFECTIVE DATE	shall mean the date of the PURCHASE ORDER;	(d) Words denoting the natural person include anybody or person corporate or incorporate.	
FORCE MAJEURE	shall have the meaning assigned to it in Clause 22.1;	1.3 Where special conditions are stated or attached to the form of the PURCHASE ORDER, those conditions shall apply equally with the general terms and conditions shown herein except where there is any inconsistency between the general and special conditions, the special conditions shall apply.	
GUARANTEE PERIOD	shall mean the period of twenty four (24) months after completion of WORK or any extensions thereof in accordance with the provisions of Clause 10.2;	1.4 In the event of any ambiguity, inconsistency or contradiction between the provisions of these general terms and conditions and the attachments hereto and made part thereof, these general terms shall take precedence and prevail over the attachments.	
INCOTERMS	shall mean the Incoterms 2010 or latest applicable on the date of this CONTRACT, issued by the International Chamber of Commerce, Paris, France;	1.5 In the event of any ambiguity, inconsistency or contradiction between the attachments, MMHE shall decide which attachment(s) should prevail over the others.	
MATERIALS OR EQUIPMENT	shall mean all equipment, tools, materials and consumables which are fit for the intended purpose and as identified in the SPECIFICATIONS which the SUPPLIER is required to supply and deliver to MMHE in accordance with the CONTRACT	1.6 Subject to Clause 1.5 above, the SUPPLIER shall immediately notify MMHE of any ambiguity, inconsistency or contradiction between any of the attachments. MMHE shall then issue instructions regarding these documents. Should the SUPPLIER fail to give notice to MMHE or fail to discover such ambiguity, inconsistency or contradiction as should reasonably have been discovered by a prudent supplier and/or contractor, all extra costs resulting from such failure shall be on the SUPPLIER's account.	
MAC	shall mean Material Acceptance Certificate issued by MMHE to SUPPLIER after acceptance of MATERIAL or EQUIPMENT delivered to MMHE's warehouse;	2.0 SCOPE OF WORKS	
MMHE	shall mean Malaysia Marine and Heavy Engineering Sdn Bhd (A Subsidiary of MISC), (MMHE No. 14558-P), a company incorporated under the laws of Malaysia and having its registered address at Level 31, Menara Daya Bumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur, Malaysia;	2.1 The WORK under this CONTRACT comprises the fabrication, assembling, testing, supply and delivery of the MATERIALS OR EQUIPMENT by the SUPPLIER at SITE and shall also include services to be performed by the SUPPLIER as required or may be required by MMHE as expressly set forth in the PURCHASE ORDER and/or any part thereof and also all other activities that are reasonably inferable from the description of the WORK. This shall include WORK performed or MATERIALS OR EQUIPMENT supplied pursuant to any authorisation for work, services or changes and/or CHANGE ORDER which will be issued to the SUPPLIER from time to time and shall become part of the scope of work whereby all terms and conditions of this CONTRACT shall govern.	
PARTIES	shall collectively mean MMHE and the SUPPLIER;	2.2 The SUPPLIER represents and warrants that the SUPPLIER knows and understands the nature and scope of WORK as well as the general and local conditions and other matters which could affect the performance of the WORK. The SUPPLIER's failure to become knowledgeable about or to discover such matters that could affect the WORK shall not relieve the SUPPLIER from its obligations under this CONTRACT. The SUPPLIER shall be deemed to have fully understood the scope of WORK be provided under this CONTRACT.	
PURCHASE ORDER	shall mean MMHE form of purchase order as attached in Attachment A herein and governed by this CONTRACT;	3.0 PURCHASE ORDER PRICE	



PURCHASE ORDER (SAMPLE)

GENERAL TERMS AND CONDITIONS OF PURCHASE

3.5 In the event of any approved CHANGE ORDER(S), the PURCHASE ORDER PRICE and/or DELIVERY DATE shall be adjusted accordingly.

4.0 SCHEDULE OF PAYMENT AND PAYMENT TERMS

4.1 Payment of the PURCHASE ORDER PRICE shall be in accordance with this CONTRACT.

4.2 The SUPPLIER shall submit invoices and supporting documents on the progress of the WORK for any of the instalments due for payment. Such invoices shall be signed and verified and submitted together with supporting documents to show that such WORK has been accomplished to the satisfaction of MMHE. Upon verification of the supporting documents, MMHE shall make payment for undisputed items in such invoices within thirty (30) days after MMHE's receipt of SUPPLIER duly signed undisputable invoice together with all the other required documents. If the thirty (30th) day falls on a Sunday, banking holiday or gazetted public holiday, the next working day shall be deemed to be the due date for payment. Payments in respect of disputed items shall be withheld by MMHE until the settlement of the dispute by mutual agreement, or in accordance with Clause 25.0, or back charges filed against SUPPLIER by MMHE. All payments made by MMHE shall not preclude the right of MMHE from thereafter disputing any of the items involved.

4.3 Should MMHE dispute any item or amount in any invoice submitted by SUPPLIER, MMHE shall so notify SUPPLIER within ten (10) days following receipt of the invoice, specifying MMHE's complaints.

4.4 If applicable, any charges made by the SUPPLIER for items reimbursable at actual cost under this PURCHASE ORDER or payments made on behalf of MMHE shall not be net of all discounts and allowances, whether or not taken by the SUPPLIER and be supported by sufficient documentation to fully support such reimbursement and permit verification thereof by MMHE.

4.5 MMHE shall be entitled to withhold payment for the following reasons:

(a) If any of the SUPPLIER's invoices do not include the supporting documents required by MMHE;

(b) On account of defective WORK done and not remedied by the SUPPLIER;

(c) Unsatisfactory performance of the WORK;

(d) The filing of claims against MMHE caused by acts or omissions of the SUPPLIER; and

(e) Failure of the SUPPLIER to pay amounts when due for labour or materials used or amounts due to sub-purchase order(s) of the WORK.

4.6 MMHE has the right to enforce SUPPLIER to continue with WORK and/or Scope of WORKS while pending CHANGE ORDER from MMHE. The CHANGE ORDER periods are within twenty one (21) calendar Days.

4.7 All payments to be made under any of the provisions of this CONTRACT shall be made in Ringgit Malaysia or any other currency as may be agreed in writing by the Parties, at the bank(s) to be designated by the SUPPLIER in writing.

4.8 MMHE shall at all reasonable times be afforded proper facilities for inspection of the WORK and shall at all times have access to the premises, materials, all books, records, correspondences, instructions, plans, drawings, receipts, vouchers and memoranda of every description of the SUPPLIER pertaining to the WORK and the SUPPLIER shall preserve such papers for a period of not less than seven (7) years from the date of the last disbursement/payment by MMHE.

4.9 Payments made under this CONTRACT shall not constitute an admission by MMHE as to the performance by the SUPPLIER of its obligations hereunder and in no event shall any such payment affect the warranty obligations of the SUPPLIER. Any payment withheld shall be without prejudice to any other rights or remedies available to MMHE.

4.10 SUPPLIER shall submit undisputed Invoice not later than three (3) months from approved Goods Receive Note (GRN) / Material Acceptance Certificate (MAC). Failing which MMHE have the rights to not process the said Invoice.

5.0 SUPPLIER'S OBLIGATIONS

5.1 The SUPPLIER represents and warrants that all MATERIALS OR EQUIPMENT supplied by the SUPPLIER under this CONTRACT shall be:

(a) New, unused, of current production / technology, fully functional, shall conform to the standards as specified in this PURCHASE ORDER and shall have the GUARANTEE PERIOD as specified herein;

(b) Fit for the purpose and that no prototype equipment shall be offered;

(c) Free from any defects; and

(d) Free and clear from all liens, taxes and encumbrances.

5.2 The SUPPLIER further represents and warrants that all MATERIALS OR EQUIPMENT supplied to MMHE shall be free from any defects.

5.3 The SUPPLIER shall commence the WORK immediately after the EFFECTIVE DATE and shall prosecute the completion thereof with diligence and dispatch and in an expeditious manner.

5.4 The SUPPLIER represents and warrants that the WORK under this CONTRACT shall be performed in accordance with the with good principles and accepted professional standards, in line with the good engineering oil and gas practice, and meeting the intents and objectives of this CONTRACT. If any WORK or part thereof fails to meet the aforementioned standards, the WORK or any portion thereof shall be deemed to be deficient, in which event the SUPPLIER shall immediately correct the situation, deficient services, mistake, fault, omission or damages at the SUPPLIER's sole expense without limitation. Failure on the part of MMHE to notify the SUPPLIER of any deficiency shall not exempt the SUPPLIER from liability under this CONTRACT.

5.5 The SUPPLIER shall be responsible for the interpretations made by the SUPPLIER in translating the data, information and requirements of this CONTRACT into WORK performed by the SUPPLIER based on data or information not contained in this CONTRACT.

5.6 The SUPPLIER shall instruct its personnel to perform the WORK in accordance with the terms and conditions of this CONTRACT, and in such manner as will always safeguard and

protect MMHE's interests.

5.7 The SUPPLIER represents and warrants that the SUPPLIER shall employ on the WORK only competent and skilled personnel and shall ensure that all such personnel continue in the functions and responsibilities to which they are initially assigned for as long as it is necessary to achieve proper completion of the WORK and that the SUPPLIER shall not transfer or terminate any of the personnel without MMHE's prior written approval.

5.8 The SUPPLIER represents and warrants that the SUPPLIER and its personnel possess all the necessary and relevant qualifications, experience and expertise in respect of the WORK to be performed herein and are, therefore, competent and willing to perform the WORK in accordance with this CONTRACT.

5.9 The SUPPLIER declares and warrants that SUPPLIER'S PERSONNEL engaged in the performance of this CONTRACT are legally employed in accordance with the applicable laws and shall be responsible for payment of wages, salaries, bonus, overtime and any other allowances reasonably earned by its personnel and shall make all appropriate deductions from their salaries in respect of any employee contributions and the SUPPLIER hereby shall indemnify MMHE against any liability in respect thereof.

5.10 Subject to the relevant provisions of the INCOTERM applicable under Clause 8.1, the SUPPLIER and its personnel shall pay all taxes which shall be properly and lawfully assessed or imposed on the SUPPLIER or its personnel in connection with the WORK. For the purpose of this Clause, "tax" includes any tax, duty or charge and any penalty or interest thereon and any other costs and charges whatsoever assessed or imposed by the Government of Malaysia or any relevant authority having jurisdiction in respect of the matter.

5.11 The SUPPLIER shall ensure that its personnel comply with any reasonable requests or instructions given by MMHE under the provisions of the PURCHASE ORDER and in particular with any safety and/or security regulations or instructions which are enforced from time to time at MMHE's facilities where the SUPPLIER's personnel are performing their duties for MMHE.

5.12 The SUPPLIER represents and warrants that it and each of its sub-contractors has or shall obtain the necessary tools, equipment and personnel and that it and its sub-contractor shall maintain and use all tools and equipment in accordance with the manufacturer's specifications and recommendations and good engineering and operational practices.

5.13 The SUPPLIER represents and warrants that it shall ensure that all warranties provided by its sub-supplier and manufacturers are assigned to MMHE. The SUPPLIER shall deliver a copy of each written warranty provided by its sub-supplier or/and manufacturers to MMHE. For the avoidance of doubt, this is in addition to the guarantees and warranties provided by the SUPPLIER under Clause 10.0

5.14 SUPPLIER warrants, in respect of this CONTRACT or the matters which are the subject of this CONTRACT, that he has not made or offered and will not make or offer any payment, gift, promise or other advantage, whether directly or through intermediaries, to or for the use of any public official (i.e. any individual holding a legislative, administrative or judicial office, including any person exercising a public function for a public agency, a public enterprise or a public international organisation), where such payment, gift, promise or advantage would violate the applicable laws or the principles described in the bribery and corruption under the Malaysian Anti-Corruption Commission Act 2009 (Act 694). For purposes herein, a bribe or gratification is any gift, payment, benefit or other advantage, pecuniary or otherwise, offered, given or received in order to secure an undue or improper result, award, decision, benefit or advantage of any kind.

6.0 INSPECTION

6.1 The SUPPLIER shall be responsible for ensuring that all inspections and testing of the MATERIALS OR EQUIPMENT and WORK are carried out in accordance with generally accepted industry standards applicable to an international supplier and shall provide such inspection and testing plan to MMHE.

6.2 MMHE or any third party appointed by MMHE shall have the right at all reasonable times to inspect or witness any test of any part of the WORK at any place where the WORK is being performed. Inspection, witnessing or the lack of both by MMHE shall not be construed as acceptance of any part of the WORK, nor as relieving the SUPPLIER of its obligation to fulfil all requirements of the WORK and responsibility for ensuring that the WORK complies with the PURCHASE ORDER and that the same is free from defects and capable of performing its function.

6.3 The making or failure to make or observe any inspection or test of the MATERIALS OR EQUIPMENT and WORK shall in no way relieve SUPPLIER of his obligations to comply with all requirements of the CONTRACT.

6.4 MMHE or their designated inspectors may reject any MATERIALS OR EQUIPMENT and WORK that fails in any way to conform to the SPECIFICATION in the PURCHASE ORDER. In the event of rejection of any MATERIALS OR EQUIPMENT and WORKS by MMHE or their designated inspectors, the SUPPLIER shall at its own cost and expense rectify non-conforming MATERIALS OR EQUIPMENT and WORK, which shall be subject to re-inspection/re-testing. The SUPPLIER shall not be entitled to an extension of DELIVERY DATE nor additional costs because of such re-inspection/re-testing.

7.0 PACKING, MARKING AND SHIPPING

7.1 For shipments where delivery to MMHE occurs at SUPPLIER's premises or terminal (or the like), the SUPPLIER shall not proceed with packing of the MATERIALS OR EQUIPMENT without the release notice for packing, which shall be issued and duly signed off by MMHE or its designee, unless otherwise instructed by MMHE. Any deficiencies shall be recorded in a punch list and remedied within 48 hours.

7.2 The MATERIALS OR EQUIPMENT shall be properly packed for transportation in such conditions as stated in the requirements of the PURCHASE ORDER. All MATERIALS OR EQUIPMENT shall be packed in first quality seaworthy packing. The SUPPLIER shall notify MMHE of the firm delivery date at least 30 days before the DELIVERY DATE.

7.3 The SUPPLIER shall be responsible for any loss of or damage to the MATERIALS OR



PURCHASE ORDER (SAMPLE)

GENERAL TERMS AND CONDITIONS OF PURCHASE

EQUIPMENT caused by improper packing performed by the SUPPLIER and shall at its own costs and expenses including those for export packing and transportation to the port of export and as within 48 hours make all repairs, replacements or supplements of the MATERIALS OR EQUIPMENT as are necessitated by such loss and/or damage. 7.4 The SUPPLIER shall furnish MMHE with all shipping documents such as pro forma invoices, packing lists which shall be detailed and itemized, bills of lading, certificate of origin and other documents. All documents needed for customs clearance and transportation.

8.0 DELIVERY OF MATERIALS OR EQUIPMENT

8.1 The supply and delivery of the MATERIALS OR EQUIPMENT shall be governed by and construed in accordance with the INCOTERMS stated in PURCHASE ORDER.

8.2 The SUPPLIER shall ensure that the MATERIALS OR EQUIPMENT are delivered to the SITE on the scheduled DELIVERY DATE and shall perform the WORK in accordance with the terms and conditions of this CONTRACT.

8.3 The "scheduled DELIVERY DATE" for the MATERIALS OR EQUIPMENT shall be the date for delivery stated in the form of the PURCHASE ORDER.

8.4 Without prejudice to the SUPPLIER's obligation to deliver the MATERIALS OR EQUIPMENT on time, the SUPPLIER shall give MMHE notice in writing immediately should any delay be foreseen thereby. Failure by the SUPPLIER to deliver the MATERIALS OR EQUIPMENT on the scheduled DELIVERY DATE or such other date as may be subsequently agreed by the Parties shall entitle MMHE to terminate the CONTRACT without any penalty to MMHE or alternatively, at the option of MMHE, the SUPPLIER shall be liable to pay to MMHE liquidated damages in accordance with the provisions of Clause 16.0.

8.5 SUPPLIER shall at all times, control the progress of the WORK to achieve delivery/completion on or before the scheduled DELIVERY DATE and shall give evidence of progress to the WORK upon MMHE's request within a reasonable time. In the event MMHE is of the reasonable view that the DELIVERY DATE will not be met from the evidence of progress provided by the SUPPLIER, MMHE shall have the right (but not the obligation) to instruct the SUPPLIER to accelerate the WORK as the case may be and the SUPPLIER shall at their own cost and expense, adhere to MMHE's reasonable instructions.

8.6 Nothing contained herein shall preclude MMHE's right, at any time during the continuance of this CONTRACT, to reject the MATERIALS OR EQUIPMENT or any part thereof in the event the MATERIALS OR EQUIPMENT or part thereof do not comply with the requirements of this PURCHASE ORDER.

8.7 All MATERIALS OR EQUIPMENT from SUPPLIER shall be delivered and accepted by MMHE's warehouse prior to issuance to MMHE's requester of the said MATERIALS OR EQUIPMENT. Any request for direct delivery of MATERIALS OR EQUIPMENT to MMHE's requester of the said MATERIALS OR EQUIPMENT must be properly documented and coordinated with the MMHE's warehouse.

9.0 ACCEPTANCE

ACCEPTANCE shall only occur at the expiration of the last GUARANTEE PERIOD as herein defined upon which MMHE shall issue to the SUPPLIER the ACCEPTANCE CERTIFICATE.

10.0 WARRANTIES AND GUARANTEES

10.1 The SUPPLIER warrants and guarantees to MMHE and MMHE's client that:-

(a) The WORKS shall comply in every respect with any specifications, drawings and other data forming part of the PURCHASE ORDER;

(b) The WORKS shall be of good quality, fit for purpose for which it is generally intended and/or for which MMHE has informed the SUPPLIER or SUPPLIER has represented it is intended, free from defective materials, design defects or workmanship defects and shall be completed without any omission; and

(c) The WORKS performed under this PURCHASE ORDER shall be in accordance with good principles and accepted professional standards and meeting the intents and objectives of the CONTRACT.

10.2 The SUPPLIER shall be responsible for making good, with all possible speed, any failure of omission and defects in the WORKS or any portion thereof which may appear or occur during the GUARANTEE PERIOD. Remedied WORK shall be at the SUPPLIER's cost and shall carry an additional eighteen (18) months guarantee from the period the WORK is remedied.

If the defect so requires, the SUPPLIER shall bear the costs of dismantling, transportation (including transportation between the onshore base and the offshore site), re-assembly and re-installation of any MATERIALS OR EQUIPMENT affected under this guarantee. The SUPPLIER shall collect the defective item from MMHE and/or CLIENT's designated collection area, rectify the performance under the CONTRACT, if any and deliver the repaired item to the same point.

10.3 If the SUPPLIER does not repair and/or replace the MATERIALS OR EQUIPMENT as provided herein in a timely manner satisfactory to MMHE, MMHE may, on behalf of the SUPPLIER, perform or have performed some or all part of such remedial work or replacement of the MATERIALS OR EQUIPMENT with notice to the SUPPLIER. The SUPPLIER shall reimburse MMHE for all costs and expenses incurred in connection with such performance. These shall include:

(a) The cost of detection of the defect, removal, transportation, repair, replacement, reinstallation, inspection, re-testing of the MATERIALS OR EQUIPMENT;

(b) Cost of MMHE and/or CLIENT's own personnel together with the proven cost of delay to work of other SUPPLIER caused (if applicable), subject to a maximum of ten (10) % of the PURCHASE ORDER PRICE;

(c) Other resulting loss or damage incurred by MMHE that is not excluded under Clause 32.0 herein or stipulated as the responsibility or liability of the Parties under this CONTRACT.

10.4 Notwithstanding the foregoing, subject to MMHE having given prior notice to the effect, repairs or rectification may be carried out or replacements may be made either by MMHE or by

a third party on their behalf, in the event that:

- (a) It would be unreasonable or impractical to give the SUPPLIER an opportunity of inspection and/or remedying defects; or
- (b) There is a threat of further damage or loss, including those as a consequence of delay in installation work or operations.

The cost for the above repairs or rectification shall be at the SUPPLIER's account.

10.5 The SUPPLIER's liability hereunder shall extend to all damages proximately caused by the omissions or defects, including incidental damages such as removal, inspection, costs of return or storage.

10.6 The foregoing warranty shall not apply:

- (a) To normal wear and tear;
- (b) To damage proven to be caused by a THIRD PARTY, or to prove misuse by MMHE unless such damage or misuse is due to the SUPPLIER GROUPS acts, omissions, faulty instructions or negligence.

Unless otherwise specified in the PURCHASE ORDER, foregoing warranty does not apply to any item which is furnished by MMHE as a component part of the MATERIALS OR EQUIPMENT.

10.7 During the duration of the GUARANTEE PERIOD, the SUPPLIER shall indemnify and keep indemnified MMHE against injury (including death) to any person or loss or damage to any property of MMHE which may arise as a result of the defective materials, design defects or workmanship defects of the WORKS and against all claims, demands, proceedings, damages, cost, charge and expenses whatsoever in respect thereto or in relation thereto.

11.0 SUPERVISORY SERVICES

11.1 MMHE may require the SUPPLIER to furnish supervisory services at the site, or at the locations described in the PURCHASE ORDER or instructed by MMHE from time to time. The scope of supervisory services, daily rates, anticipated periods and other conditions for such supervisory services, as or otherwise may be mutually agreed upon between MMHE and the SUPPLIER.

11.2 If it is required that the SUPPLIER render supervisory services by dispatching its personnel to the site under the CONTRACT or by separate agreement between MMHE and the SUPPLIER, the SUPPLIER shall be responsible (at its own costs and expense) for obtaining visas, work permits or such other permits, licenses or approval, and procuring any insurances, necessary for the performance of the supervisory services, and procuring any necessary insurances.

11.3 If MMHE is of the opinion that any person dispatched by the SUPPLIER for the supervisory services is not qualified or capable of performing its duties properly and efficiently, MMHE may instruct the SUPPLIER to remove such person from the site and replace such person immediately with a qualified person at its costs and expenses. The SUPPLIER shall comply with such instruction without delay.

12.0 TITLE AND RISK

12.1 Title and risk in the WORKS shall remain with the SUPPLIER until they are delivered at SITE or in accordance with the relevant provision of INCOTERMS. At such time, title and risk shall transfer to MMHE. However, until such title is passed to MMHE, MMHE shall have a lien on all of the SUPPLIER's materials and supplies forming part of the WORKS arising from the PURCHASE ORDER and other payments made by MMHE to the SUPPLIER.

12.2 Notwithstanding anything to the contrary, the passing of title and risk of WORK shall not affect the right to reject the WORKS.

12.3 In the case of WORKS delivered by the SUPPLIER not conforming with the CONTRACT whether by reason of not being of the quality or in the quantity or measurement stipulated or being unfit for the purpose for which they are required, MMHE shall have the right to reject such WORKS within a reasonable time of their delivery and inspection and to purchase elsewhere and to claim for any additional expense incurred without prejudice to any other right which MMHE may have against the SUPPLIER. The making of any prior payments by MMHE shall not prejudice MMHE'S right of rejection.

13.0 PERFORMANCE BOND

13.1 If applicable, the SUPPLIER shall provide a Performance Bond/Bank Guarantee in the form of an irrevocable and unconditional bank guarantee payable on demand in favour of MMHE in an amount equal to ten percent (10%) of the PURCHASE ORDER PRICE from a bank operating in Malaysia acceptable to MMHE within fourteen (14) days from the EFFECTIVE DATE to guarantee the performance of the SUPPLIER's obligations under this CONTRACT. The Bank Guarantee shall be valid throughout the EFFECTIVE DATE until the end of the GUARANTEE PERIOD. However, the SUPPLIER shall be entitled to reduce the value of the Bank Guarantee to 5% of the PURCHASE ORDER PRICE (as adjusted) at the commencement of the GUARANTEE PERIOD. Any failure to provide the Bank Guarantee shall be deemed to be a default of the SUPPLIER. (Bank Guarantee for performance from a bank nominated by SUPPLIER and approved by MMHE in the form set out in PURCHASE ORDER).

13.2 This Bank Guarantee shall apply to the CONTRACT including all indulgences, changes, alterations, incorrect payment or extensions as may be made, given, conceded or agreed under the CONTRACT whether or not the guarantor received notice of the same and the guarantor shall waive all need for notice of the same.

13.3 MMHE shall not be obliged to make any payments to the SUPPLIER under the CONTRACT until it has received a Bank Guarantee in compliance with this Clause.

13.4 In the event that the ACCEPTANCE and/or any guarantee period under the CONTRACT is extended for any reason whatsoever such that the validity of the Bank Guarantee is not in compliance with this Clause, the SUPPLIER shall at its own cost and expense, extend the validity of the Bank Guarantee. The SUPPLIER shall forward to the PURCHASER original written confirmation from the guarantor of the extension of the validity of the Bank Guarantee not less than seven (7) days prior to the expiry of the Bank Guarantee failing which the MMHE



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shall be entitled to call on the Bank Guarantee without any prior notice to the SUPPLIER for the full value of the Bank Guarantee which said sum shall be held in trust for the PURCHASER free from interest subject to MMHE has a right to makes such deductions there from as are due to MMHE under the CONTRACT.

13.5 The Bank Guarantee shall be valid until the end of the GUARANTEE PERIOD and in the event of there being more than one guarantee period, the Bank Guarantee shall be valid until the end of the last guarantee period under the CONTRACT.

13.6 If the Bank Guarantee to be furnished pursuant Clause 13.1 is not duly furnished by the SUPPLIER to MMHE within the stipulated period, MMHE may at its option without prejudice to any rights or claims it may have against the SUPPLIER by reason of the SUPPLIER's non-compliance with any of the provisions of this CONTRACT, terminate the CONTRACT by notice in writing to the SUPPLIER. MMHE shall thereupon not be liable for any claim or demand from the SUPPLIER under the provisions of the CONTRACT in respect of anything than already done or furnished, or in respect of any matter or thing whatsoever in connection with or relating to the CONTRACT, but MMHE shall be entitled to be repaid by the SUPPLIER for all out-of-pocket expenses incurred by MMHE incidental to the obtaining of a new contractor.

14.0 PARENT COMPANY GUARANTEE

14.1 If applicable, the SUPPLIER shall cause its parent company to provide MMHE with a Parent Company Guarantee within thirty (30) days of the award of this CONTRACT as per the form set out in PURCHASE ORDER herein.

14.2 MMHE shall not be obliged to make any payments to the SUPPLIER under the CONTRACT until it has received a Parent Company Guarantee in compliance with this Clause.

14.3 Any failure to provide the Parent Company Guarantee as stated above shall be deemed to be a default of the SUPPLIER.

14.4 The Guarantor under the Parent Company Guarantee shall have the technical and/or financial capacity to perform its obligations under the CONTRACT by itself or cause a third party to do so, in the event the SUPPLIER is unable and/or unwilling to perform any of its obligations under the CONTRACT.

15.0 CHANGE

15.1 MMHE may, at any time during the continuance of this CONTRACT and the execution of the WORKS instruct the SUPPLIER to alter, amend, omit, change, modify, and add to reduce or otherwise vary any part of the WORKS or the MATERIALS OR EQUIPMENT and the SUPPLIER shall carry out such changes under the terms and conditions of this CONTRACT.

15.2 The SUPPLIER shall not make changes to the WORKS or MATERIALS OR EQUIPMENT without an order in writing from MMHE.

15.3 On receipt of any written order from MMHE requiring a change in the WORK or MATERIALS OR EQUIPMENT which may, in the opinion of the SUPPLIER, involve a change in the PURCHASE ORDER PRICE and/or schedule, the SUPPLIER shall, within fourteen (14) days of such change to the PURCHASE ORDER was made as stated in Clause 15.1, advise MMHE to that effect by submitting a CHANGE NOTICE. Any CHANGE NOTICE not submitted within the prescribed period herein shall not be admissible.

15.4 If MMHE satisfied with the submissions contained in the CHANGE NOTICE, MMHE shall thereafter issue CHANGE ORDER.

15.5 In the event that the SUPPLIER and MMHE fail to agree on the change, upon MMHE's request the SUPPLIER shall be required to carry out such work pending the agreement on the change. If a dispute persists, the procedure outlined in Clause 25.0 shall apply. The change in cost to MMHE, if any occasioned by any such variations shall be added to or deducted from the PURCHASE ORDER PRICE, as the case may be. Following approval by MMHE, such CHANGE ORDER shall be deemed to form part of this CONTRACT.

15.6 The SUPPLIER acknowledges that there shall be no claims for any increase in the amount of work undertaken or to be undertaken which can be inferred from the SPECIFICATION or for rectification work or modifications whether or not related to design and/or other errors, mistakes, omissions, and lack of accuracy in carrying out its obligations herein if such is required in order to furnish complete, operable, safe and reliable WORKS and MATERIALS OR EQUIPMENT.

15.7 If, in the opinion of MMHE, a CHANGE ORDER to the WORKS adversely affects the DELIVERY DATE to the extent that is impossible for the SUPPLIER to DELIVERY DATE, MMHE may amend the DELIVERY DATE.

15.8 No CHANGE ORDER shall in any way vitiate or invalidate the obligations of the SUPPLIER under this CONTRACT.

15.9 The SUPPLIER shall co-operate fully with MMHE in minimising the cost or schedule impact of CHANGE ORDER. CHANGE ORDER shall not be considered as justification for additional payment per se but shall only result in additional payment when the SUPPLIER has established to the satisfaction of MMHE, that he has explored all possibilities of accommodating the CHANGE ORDER without incurring extra costs or delays to the schedule.

15.10 Any changes or variations proposed or initiated by MMHE or the SUPPLIER pursuant to this Clause which are due to defects, errors or omissions in the WORKS or MATERIALS OR EQUIPMENT which could alter, add to, change or vary considerably the amount of the work within the scope of WORK of the SUPPLIER or its sub-SUPPLIER shall not justify extra costs in any event.

15.11 Any and all changes or modifications to the SPECIFICATION, schedule or WORK pursuant to this CONTACT and any additional payments for required work or services due from MMHE to the SUPPLIER, or credits for deleted work or services due to MMHE by the SUPPLIER, under the provision of this Clause shall be embodied in a CHANGE ORDER upon conditions specified therein which shall be signed by MMHE and the SUPPLIER, and such CHANGE ORDER shall be deemed to form part of this CONTRACT and be subject to all of the

terms and conditions therein unless otherwise excepted.

16.0 LIQUIDATED DAMAGES

16.1 In the event the DELIVERY DATE is not met by the SUPPLIER, the SUPPLIER shall pay MMHE liquidated damages (which the SUPPLIER and MMHE hereby agree shall not be considered a penalty).

16.2 Liquidated damages shall be paid by the SUPPLIER to MMHE in the amount calculated at 0.1% of the PURCHASE ORDER PRICE per day for each day of delay (pro-rated), up to the maximum of 10% of the PURCHASE ORDER PRICE.

16.3 The liquidated damages stated in this Clause 16.0 is deemed to be the actual loss which MMHE will suffer in the event that the SUPPLIER fails to deliver the MATERIALS OR EQUIPMENT on the DELIVERY DATE. The SUPPLIER agrees to pay to MMHE the said amount(s) if the same becomes due without the need for MMHE to prove actual damage or loss.

16.4 The PARTIES agree that the amount of such liquidated damages is a genuine pre-estimate of the losses which may be sustained by MMHE in the event of delay in delivery of the MATERIALS OR EQUIPMENT.

17.0 SUSPENSION

17.1 Upon receipt of such suspension notice as referenced above hereof, the SUPPLIER shall, unless the notice otherwise requires:

- (a) Immediately discontinue performance of the WORKS on the date and to the extent specified in the notice;
- (b) In such the event of the SUPPLIER shall be liable for all costs and expenses incurred by MMHE as a result of the suspension;
- (c) Place no orders and make no further sub-supply with respect to the suspended portion of the WORKS other than to the extent required in the notice;
- (d) Promptly make every reasonable effort to obtain suspension upon terms satisfactory to MMHE of all outstanding orders and sub-supply to the extent they relate to the execution of the portion of the WORKS suspended;
- (e) Continue to maintain such portion of the WORKS that has been carried out;
- (f) Use best efforts to minimise the costs associated with the suspension;
- (g) Continue to perform all unsuspended parts of the WORKS

17.2 Suspension for SUPPLIER's non-default:-

17.2.1 MMHE may, at its absolute discretion, by notice in writing to the SUPPLIER, instruct to suspend at any time the execution of all or any portion of the WORKS for reasons other than the default of the SUPPLIER or Force Majeure and MMHE shall issue a CHANGE ORDER to cover the followings:-

- (a) The cost of keeping all facilities, MATERIALS OR EQUIPMENT and personnel dedicated to the part of the WORKS suspended to the extent that the SUPPLIER is unable to redeploy such resources during the period of suspension;
- (b) Standby fees, where applicable, for all facilities, MATERIALS OR EQUIPMENT and personnel of the SUPPLIER authorised in advance by MMHE to be on standby;
- (c) Other items directly related to the suspended part of the WORKS, if authorised in advance by MMHE; and
- (d) Any changes to the DELIVERY DATE.

17.2.2 In the event of suspension of the whole or part of the WORKS, the SUPPLIER shall not be relieved of any continuing obligations or liabilities under the provisions of the CONTRACT, nor does it affect any statutory or other legal rights of MMHE or the SUPPLIER.

17.2.3 MMHE may at any time, by giving written notice to the SUPPLIER specifying the part of the WORK to be resumed and the effective date of such resumption, authorise the SUPPLIER to resume all or any part of the WORK suspended.

17.2.4 The SUPPLIER shall resume the performance of the WORKS on the date fixed in such written notice from MMHE to the extent required in the notice.

17.3 Suspension for SUPPLIER's Default:-

17.3.1 In the event that the SUPPLIER is in default, MMHE may issue a suspension notice for reason of default under this clause; the suspension notice shall include reasons for such issuance and shall also outline the steps to be taken by the SUPPLIER to rectify the situation within a specified period.

17.3.2 The SUPPLIER shall be considered in default of its obligations until the situation has been remedied to the satisfaction of MMHE and MMHE may, in addition to and without any prejudice to any other rights it may have, exercise its rights of termination herein.

17.3.3 No payment shall be made to the SUPPLIER in the event that MMHE suspends the performance of the WORK pursuant to the default of the SUPPLIER.

18.0 TERMINATION

18.1 For Default

In the event of any material breach of any of the terms and conditions of this PURCHASE ORDER, MMHE may, without prejudice to any other right under this CONTRACT or at law, terminate this CONTRACT with immediate effect.

18.2 For Liquidation or Reconstruction

MMHE may also terminate this CONTRACT with immediate effect if:-

- (a) The SUPPLIER generally suspends payment of its debts as they become due;
- (b) A petition is filed or an order is filed or an order is made or entered (and is not stayed within thirty (30) days of service thereof) against the SUPPLIER;
- (c) or a resolution is passed or an involuntary petition is filed for the winding up, receivership, bankruptcy or reorganisation of the SUPPLIER;
- (d) the SUPPLIER makes an assignment for benefit of all or substantially all its creditors or a receiver or administrator is appointed to all or substantially all of its assets; or
- (e) the ownership or control of the SUPPLIER has been materially altered.



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18.3 For Convenience

This CONTRACT may also be terminated at any time by MMHE by giving notice in writing of fourteen (14) days, for any reason whatsoever. On receipt of such notice, the SUPPLIER shall stop all the WORKS. MMHE shall pay a reasonable price for all WORKS delivered/completed as of the effective date of such termination and all actual direct reasonable costs incurred by the SUPPLIER as a direct result of such termination.

19.0 INSURANCE

19.1 Without prejudice to the SUPPLIER's liability and responsibilities contained elsewhere in the CONTRACT, the SUPPLIER shall procure and maintain at its own cost and expense during the performance of this CONTRACT, 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 SUPPLIER 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 SUPPLIER's or any sub-supplier's operations under the CONTRACT are subject
- (b) Comprehensive Automobile Liability Insurance covering owned, non-owned and hired automobiles by the SUPPLIER providing unlimited cover for injury or death.
- (c) "All Risk" Property Damage and Transit Insurance; SUPPLIER shall provide all risks insurance covering SUPPLIER 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 WORKSITE and/or between the WORK SITE.
- (d) Comprehensive General Liability Insurance covering the SUPPLIER'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:

Contract Value	Limit of Liability
(i) Below RM500k	Contract Price
(ii) RM500k to RM1 Million	RM1 Million
(iii) RM1Million to RM5Million	RM5 Million
(iv) Above RM5 Million	RM10 Million

(e) Any other insurance which may be relevant and/or necessary and/or may be required by any law(s) to which the SUPPLIER and/or sub-supplier are subject.

19.2 SUPPLIER shall cause MMHE and its 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.

19.3 All deductibles, exceptions and exclusions applicable to the foregoing insurance shall be for the account of and be paid by the SUPPLIER. Any breach of conditions and/or warranties contained in such policies of insurance shall also be for the account of the SUPPLIER.

19.4 The SUPPLIER shall fully indemnify MMHE 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.

19.5 No later than 14 days after the EFFECTIVE DATE or any extension granted by MMHE, the SUPPLIER shall furnish to MMHE 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 co-insured, waiver of subrogation and cross liability;
- (d) Full payment of premium;

(e) that the supplier shall give a thirty (30) day prior written notice to MMHE before any material amendment to, or cancellation of, the insurance policy.

19.6 The furnishing of certificate of insurance or other documents of insurance shall not be interpreted as implying that MMHE assumes responsibility for the correctness of such policies or documents or that the SUPPLIER has complied with its other obligations contained in this CONTRACT or relieve the SUPPLIER of any obligation or liability under the CONTRACT.

19.7 The SUPPLIER and its sub-supplier(s) shall not commence WORKS until all the insurances that the SUPPLIER is required to provide are in force.

19.8 Should the SUPPLIER 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 MMHE before cancellation takes effect and MMHE shall have the right to procure such insurance and, in such event, any sum so paid by MMHE shall immediately become due and payable to MMHE by the SUPPLIER or MMHE shall be entitled to deduct such sums from any monies due or which may become due to the SUPPLIER, in addition to any other remedies MMHE may have under this CONTRACT.

19.9 The SUPPLIER shall notify MMHE 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.

19.10 The SUPPLIER shall ensure that its sub-supplier maintains similar insurance coverage as specified herein and that its sub-supplier similarly indemnify and hold MMHE harmless against all costs, claims and demands. Any deficiencies in the coverage or policy limits of sub-supplier insurance shall be for the sole responsibility of the SUPPLIER.

19.11 The amounts of the SUPPLIER furnished insurance called for herein shall be the minimum and not the maximum limits of liability. The SUPPLIER may provide other insurance coverage or higher limits of coverage. MMHE shall not bear any financial liability attributable to deficient insurance coverage by the SUPPLIER.

19.12 MMHE will not be liable to the SUPPLIER for damages in excess of the limits of such insurance, and the SUPPLIER indemnifies and saves MMHE harmless for all damage or personal injury in excess of such limits.

19.13 The SUPPLIER and MMHE shall co-operate fully with the insurance carrier furnishing the insurance policies specified herein in the event of any claim.

20.0 LIABILITIES AND INDEMNITIES

20.1 The SUPPLIER shall be responsible for and shall hold harmless and indemnify MMHE group, its officers, employees and/or agents from and against any loss or expense by reason of all claims, proceedings, demands and causes of action in respect of any damage, loss or injury (including death) to any person or property of the SUPPLIER, howsoever caused, without regard to whether any negligence, act or omissions of MMHE contributed to such damage, loss or injury.

20.2 MMHE shall be responsible for and shall hold harmless and indemnify the SUPPLIER, its officers, employees and/or agents from and against any loss or expense by reason of all claims, proceedings, demands and causes of action in respect of any damage, loss or injury (including death) to any person or property of MMHE, howsoever caused, without regard to whether any negligence, act or omissions of the SUPPLIER contributed to such damage, loss or injury.

20.3 The SUPPLIER shall be responsible for and shall hold harmless and indemnify MMHE group, MMHE's client, its officers, employees and/or agents from and against any and all liability, loss or expense by reason of any claim, action or litigation in respect of any patent, copyright, trademark or other intellectual property rights (foreign or domestic), resulting from the use or resale of the WORKS.

20.4 The SUPPLIER shall further indemnify and hold MMHE safe and harmless from and against all injuries to, including death of, and loss of damage to property of third parties arising out of or in connection with the performance of the WORKS whether or not such loss or damage was caused by or contributed to or was partly attributable to any act, fault, omission, negligence or lack of due diligence of MMHE GROUP or any of its agents. The PARTIES further agree that the respective liabilities of SUPPLIER and MMHE in respect of all injuries to, including death of, and loss of damage to property of third parties arising out of or in connection with the performance of the WORKS shall be determined by law.

21.0 LICENCE AND PERMIT

Subject to the relevant provisions of the INCOTERM applicable under Clause 8.1, the SUPPLIER shall obtain any licence or other permit which is required in the country of shipment and/or origin for implementation of this CONTRACT. This CONTRACT is conditional upon such license or other permit being made available in good time, in accordance with the delivery date stated in this CONTRACT.

22.0 FORCE MAJEURE

22.1 FORCE MAJEURE events shall be events beyond the control of the Parties or either of them and shall include, but not be limited to:-

- (a) Acts of God or force of nature,
- (b) Landslide, lightning, earthquake, flood,
- (c) Fire, explosion,
- (d) Unusually severe weather during the period in question,
- (e) Act of war (declared or undeclared) of public enemy,
- (f) Strikes, boycotts, lockouts or other labour disturbance (excluding those solely amongst employees of the SUPPLIER or its sub-supplier),
- (g) Act or omission of sovereign or those purporting to represent sovereign states,
- (h) Blockade, embargo, quarantine, public disorder, sabotage and acts of terrorists.

22.2 However, FORCE MAJEURE shall not include the followings:-

- (a) Late delivery of MATERIALS OR EQUIPMENT caused by congestion at SUPPLIER's or SUPPLIER's plant or elsewhere, or oversold condition of the market, inefficiencies, or similar occurrences;
- (b) Late performance by SUPPLIER caused by a shortage of supervisors or labour, inefficiencies, or similar occurrences;
- (c) Mechanical breakdown of any item of the SUPPLIER's equipment, plant or machinery;
- (d) Contractual commitment made by the SUPPLIER to third parties which limits the SUPPLIER's ability to provide Materials or Equipment;
- (e) Financial distress of the SUPPLIER or sub-supplier; and
- (f) Cumulative effect of recurring weather over time, including but not limited to excessive cumulative rainfall and/or period of high relative humidity.

22.3 If a party is or will be prevented from performing any of its obligations under the CONTRACT by FORCE MAJEURE, then it shall give notice to the other party of the event or circumstances constituting the FORCE MAJEURE and shall specify the obligations, the performance of which is or will be prevented.

22.3.1 The notice shall be given immediately after the party became aware, or should have become aware, of the relevant event or circumstance constituting FORCE MAJEURE.

22.3.2 Neither party shall be liable to the other for any delay or failure to perform their respective obligations for so long as such FORCE MAJEURE prevents it from performing them.

22.4 Each party shall at all times use all reasonable endeavours to minimize any delay in the performance of the WORK as a result of FORCE MAJEURE.

22.5 If the SUPPLIER is prevented from performing any of its obligations hereunder by FORCE MAJEURE of which notice has been given under sub-Clause 22.1 and suffers delay by reason of such FORCE MAJEURE, the SUPPLIER shall be entitled to an extension of time the period of which shall be determined by MMHE. The SUPPLIER shall not be entitled to any additional claims for costs as a result of any FORCE MAJEURE.

22.6 Unless otherwise agreed by the Parties, if the WORKS to be executed by the SUPPLIER are suspended by FORCE MAJEURE conditions lasting for more than 2 years, MMHE and the



MALAYSIA MARINE AND HEAVY ENGINEERING SDN. BHD. (14558-P)
P.O BOX 77, 81707 PASIR GUDANG, JOHOR, Johor, Malaysia
TELEPHONE (607) 2682111 TELEFAX (607) 2514248



Certification No : KLR 00232622

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SUPPLIER shall each have the option of terminating this CONTRACT in whole or part thereof and each party shall have no further liability to the other save that the SUPPLIER shall be paid for the balance of the CONTRACT, value of the MATERIALS OR EQUIPMENT which have been delivered or works performed up to the date of termination.

23.0 WAIVER AND VALIDITY

- 23.1 Failure by MMHE to enforce the performance of any of the provision of CONTRACT against the SUPPLIER shall neither be deemed to be a waiver of its rights hereunder nor shall it affect the validity of the CONTRACT in any way.
23.2 Any waiver by MMHE to any breach of CONTRACT by the SUPPLIER shall not constitute a precedent and shall not be deemed a waiver of any succeeding breach of the same provision or any other provision of the CONTRACT.
23.3 Any provision herein which is or becomes illegal or unenforceable shall be severed from the CONTRACT and shall not affect the validity of the remaining provisions hereof.

24.0 CONFIDENTIALITY

- 24.1 The SUPPLIER shall hold in confidence and not divulge to third parties or use in any way without prior written approval from MMHE, other than for accomplishing the WORKS, this CONTRACT which includes but shall not be limited to all accompanying designs, drawings, specifications and other information and data disclosed, directly or indirectly by MMHE and/or its affiliates.
24.2 This Clause shall survive the termination or expiry of the CONTRACT for a further seven (7) years. SUPPLIER shall ensure that any person with access to all confidential information above shall be bound by terms of confidentiality no less stringent than this Clause.

25.0 DISPUTE RESOLUTION AND ARBITRATION

- 25.1 All disputes, controversies or claims arising out of or in connection with this CONTRACT or the breach, termination or invalidity thereof shall be finally settled by arbitration in accordance with the rules of the Regional Centre for Arbitration, Kuala Lumpur for the time being force. The place of arbitration shall be Kuala Lumpur and the language to be used in the arbitral proceedings shall English.
25.2 Pending the resolution of any disputes, controversies or claims arising out or relating to this CONTRACT, the SUPPLIER shall perform and/or continue performing all its obligations specified in the CONTRACT.

26.0 TAXES AND DUTIES

- 26.1 The PARTIES hereby agree that subject to the relevant provision of the INCOTERMS applicable under Clause 8.1 above:
(a) The SUPPLIER shall be liable for and shall pay at its own expense when due, all taxes relating to and for the performance of the WORKS including, without limitation:
(i) All custom duties, sales, service, excise, storage, consumption and use taxes, licences, permits and registration fees, income, turnover profit, excess profit, franchise and personal property taxes on any other taxes; and
(ii) All employment taxes and contributions imposed by law, or trade union contracts, or regulations with respect to or measured by the compensation (wages, salaries or others) paid to employees of the SUPPLIER including, without limitation, taxes and contributions for unemployment and compensation insurance, old age benefits, welfare funds, pensions and annuities and disability insurance and similar items.
(b) MMHE shall have the right to withhold from any payment due or that may become due to the SUPPLIER under this CONTRACT for the purpose of settling off taxes on income, excess profit, royalty and other taxes, to the extent that such withholding is required by the Government of Malaysia or any relevant authorities thereof or by the government of any other country. Payment by MMHE to the respective governmental office of the amount of money so withheld will relieve MMHE from any further obligation to the SUPPLIER with respect to the amount so withheld. MMHE shall not be liable for any additional costs, loss or expenses incurred by the SUPPLIER due to or arising from such withholding.
(c) The SUPPLIER shall indemnify MMHE from and against any claims, demands and causes of action which may arise as a result of the SUPPLIER's failure to comply with the directions and procedural
(d) The SUPPLIER shall protect, hold harmless and indemnify MMHE from and against all claims, demands and causes of action based on any and all claims or liability income, excess profits, royalty and other taxes, assessed or levied by the Government of Malaysia or any relevant authorities thereof or by the government of any other country against MMHE for which the SUPPLIER is liable for. The indemnity under this Clause Includes, without limitation, any and all claims, suits, costs, liabilities, judgments, fines, penalties, demands, loss or damage including any and all expenses, disbursements, costs, legal fees, sums and amounts which MMHE suffers, incurs or is put in resulting from or in any way connected with any assessment or imposition, which by the terms of this Clause, the SUPPLIER is liable for.

27.0 NOTICES All notices shall be in writing and sent by registered mail, express mail, courier, or transmitted by facsimile or electronic mail (when confirmation of receipt has been received by sender's facsimile or electronic mail as the case may be), to the addresses indicated in the Clause 1.1 (under MMHE definition) or such other address as either party may indicate by at least ten (10) days prior written notice to the other party.

28.0 ENTIRE AGREEMENT

The terms and conditions set out on this AGREEMENT together with any subsequent amendments made in writing by MMHE and SUPPLIER represent the entire agreement between MMHE and the SUPPLIER.

29.0 SAFETY (HSE MATTER)

- 29.1 Every SUPPLIER who enters MMHE Yard shall be subjected to comply with General MMHE HSE briefing requirement. SUPPLIER shall be given a safety pamphlet or/and safety briefing video before entering MMHE Yard. SUPPLIER need to refer MMHE Safety Induction Matrix, based on Category 1 or/and Category 2.
29.2 Where a service is being provided on property occupied by MMHE, the SUPPLIER shall be responsible and to communicate on the safety requirement to all persons engaged on WORKS and all persons who may be affected by activities of the SUPPLIER. SUPPLIER shall comply with all MMHE's safety regulations and procedures in this regard.
29.3 SUPPLIER is to provide Material Safety Data Sheet (MSDS / CSDS) for all chemicals or lubricants involved in the supply of the goods.
29.4 SUPPLIER to comply with Law of Malaysia, Occupational Safety And Health (OSH) 1994 (Act 514) and its regulation- use of chemicals hazardous to health (USECHIH) classification, packaging & labelling (CPL) regulation for chemicals during delivery, transit, transfer, repacking storage and handling. SUPPLIER to deliver the items complete with bilingual chemical safety data sheet (CHDS) - Bahasa Melayu and English. Failure to comply may result in SUPPLIER's delivery being rejected.
29.5 SUPPLIER to adhere with Law of Malaysia, Quality Environmental Act 1997 and its regulation - transportation, storage, handling and managing of Schedule Waste generated from the WORKS.
29.6 SUPPLIER representative(s) must be fully equipped with suitable personal protection equipment (PPE) when working in MMHE yard and must in straight compliance to MMHE safety rules and regulations currently enforced in the yard. PPE shall be provided on SUPPLIER's own cost. Failure to do so, SUPPLIER shall not be allowed to enter MMHE Yard.
29.7 Appropriate PPE (such as safety shoes, safety helmet, safety glass and coverall) are compulsory for all personnel entering warehouse area including loading and unloading which also applies to all SUPPLIER's representative and transported personnel whether they are delivering materials or presenting documents at MMHE warehouse.
29.8 Compliance to HSE rules e.g. PPE, Yard speed limit-25km/hr, no mobile phone while driving, wearing seat belt while driving ethic is strictly be adhered to which stern action shall be taken to those non-compliance such as but not limited to summons, bar from unload or attend to the consignment in MMHE yard and bar from entering the MMHE yard.
29.9 Penalty of RM 500.00 (Ringgit Malaysia five hundred) shall be imposed to the SUPPLIER whose employee does not comply with MMHE rules and regulations. SUPPLIER whom found continuously disregard this regulation shall be subjected to suspension from future business engagement.
29.10 SUPPLIER is responsible to ensure compliance to SIRIM Certificate of Approval (COA). All costs pertaining to the requirement shall be borne by SUPPLIER.
29.11 SUPPLIER to comply with Department of Agriculture Malaysia International Standards for Phytosanitary measures No 15 (ISPM 15) for the Quality of Packing Materials.
29.12 SUPPLIER shall be fully aware and comply to the term set out in PURCHASE ORDER for MHB 10 Safety Rules Intervention Programme and Consequence Management.

30.0 QUALITY ASSURANCE

- 30.1 The SUPPLIER and its sub-supplier shall have and operate a quality assurance system as specified in the CONTRACT.
30.2 MMHE shall have the right to reject any WORKS not conforming to specified quality standards as contained in the CONTRACT.
30.3 Notwithstanding the above, such non-conformity shall be deemed a default under Clause 18.0

31.0 INTELLECTUAL PROPERTY RIGHTS

- 31.1 The SUPPLIER hereby warrants that the execution or performance of the WORKS under the CONTRACT, including, without limitation, the design, manufacture, installation and use of the MATERIALS OR EQUIPMENT and/or the WORKS provided or performed by the SUPPLIER under the CONTRACT shall in no way infringe any patent, design, trademark or other right of any third party.
31.2 The SUPPLIER, warranting that it has the right to do so, hereby grants MMHE and to the CLIENT through MMHE a perpetual, irrevocable, royalty-free, worldwide, transferable, non-exclusive license under all patent, utility models or other industrial property rights and know-how now or hereafter created or owned by the SUPPLIER which cover any apparatus, article, process or composition used or produced in the performance of the Work including the right to use, operate, maintain and repair the MATERIALS OR EQUIPMENT and all parts thereof. For MATERIALS OR EQUIPMENT manufactured under license, the SUPPLIER shall submit a certificate from the licensor that the MATERIALS OR EQUIPMENT has been manufactured to the licensor's design and specification.
31.3 Should any third party raise a claim or bring a suit against MMHE and/or the Client, and/or threaten to do so on the ground that the sale, lease, import, installation, use or operation of the MATERIALS OR EQUIPMENT, the SUPPLIER shall indemnify and hold harmless MMHE and/or the Client from and against all claims, demands, losses, damages, costs and expenses (including the legal fees) caused thereby.

32.0 CONSEQUENTIAL DAMAGES Neither the SUPPLIER nor MMHE shall be liable to the other by way of indemnity or otherwise (including but not limited to negligence) for any indirect or consequential losses including but not limited to loss of profit, loss of use, loss of production, loss of contracts, loss of revenues or of anticipated savings, any increase in operating costs, or for any financial or economic loss whatsoever that may be suffered by the other. Any exclusion or limitation specified in the CONTRACT shall apply to claims in contract, tort or otherwise at law in respect of matters covered by such exclusion or limitation.



PURCHASE ORDER (SAMPLE)

GENERAL TERMS AND CONDITIONS OF PURCHASE

33.0 AUDIT RIGHTS OF THE PURCHASE

- 33.1 Without prejudice to any other audit rights provided for elsewhere in this CONTRACT, MMHE shall have the right to audit the following matters:
- (a) Payments made to the SUPPLIER
 - (b) Work delivered by the SUPPLIER
 - (c) Performance of the PURCHASE ORDER by the SUPPLIER
 - (d) Health, Safety and Environment requirements
 - (e) Information security and confidentiality
 - (f) Business ethics
 - (g) Conflict of interest
 - (h) Permits, laws and regulations
 - (i) Quality assurance system
 - (j) Technical capabilities of all parties supplying Work and/or performing the PURCHASE ORDER.
 - (k) Supply of MATERIALS OR EQUIPMENT and services on a reimbursable basis the entire process from tender to award to contract close-out, including details of all payments to sub-suppliers.
- 33.2 The SUPPLIER shall maintain and shall cause its sub-supplier, agents, suppliers and consultants to maintain accurate and correct records of all charges and accounts including gifts and entertainment expenses in connection with the CONTRACT and all transactions related thereto and shall retain all such records and accounts for a period of not less than seven (7) years after the final payment under the CONTRACT or seven (7) years after the expiry or termination of the CONTRACT whichever is later.
- 33.3 From the EFFECTIVE DATE until the time period specified above in Clause 32.2, MMHE shall have the right and access at all reasonable times, to inspect and audit the records, and interview any staff of the SUPPLIER, its sub-supplier, agents, suppliers and consultants which are deemed by MMHE to be directly pertinent to the correctness of any documents relating to the audit rights described above, and to verify compliance to the terms and condition of the CONTRACT.
- 33.4 MMHE shall have the right to reproduce and retain any such records.
- 33.5 A written response to MMHE's claims for omissions, corrections or errors in charges and credits for MMHE's account shall be made by the SUPPLIER as soon as practicable, and in no event, later than thirty (30) days from the date of such claims, failing which MMHE's claim shall be deemed to be correct and final.
- 33.6 The SUPPLIER shall ensure that the provisions of this Clause are included in all sub-supplier contracts under this CONTRACT.

34.0 SET OFF PROCEDURES

MMHE shall at all times be entitled to set off any present or future claims MMHE may have against SUPPLIER against any present or future debts which MMHE may have against the SUPPLIER.

35.0 ASSIGNMENT

The SUPPLIER shall not assign this CONTRACT in whole or in part without the prior written approval of MMHE, which approval shall not be unreasonably withheld.

36.0 GOVERNING LAWS

36.1 In the performance of this CONTRACT, the SUPPLIER and the SUPPLIER GROUP shall be subject to all Malaysian applicable laws.

36.2 The PARTIES irrevocably agree to submit to the jurisdiction of the Malaysian Courts.

37.0 MHB Code Of Conduct And Business Ethics (CoBE)

- 37.1 SUPPLIER acknowledges that MMHE's professional activities are governed by a set of commitments, values and charters describe on MHB Code of Conduct and Business Ethics or acronym CoBE. The CoBE provided in the form set out in PURCHASE ORDER will form part of the SUPPLIER.
- 37.2 SUPPLIER hereby declares that it is informed about MHB Code of Conduct and Business Ethics and that it is familiar with and understand the provisions of the CoBE. SUPPLIER declares that it has not engaged and will not engage in any conduct that violates the CoBE provisions and shall abide by such provision while performing the SUPPLIER.
- 37.3 Without prejudice to any other rights that MMHE may have under the SUPPLIER or at law, MMHE may terminate the SUPPLIER or any work immediately upon notice in writing should SUPPLIER including any of its employees, and agents violate the CoBE.
- 37.4 Bribery and Corruption under the Malaysian Anti-Corruption Commission Act 2009 (Act 634)
- (a) Any form of gratification in connection with the ORDER is strictly prohibited. MMHE including all of its employees and agents (of any tier) shall not directly or indirectly solicit, accept or obtain or agreeing to accept or attempting to obtain, from any party for themselves or for any other party or offer, promise or give to any party any bribe or gratification as an inducement or a reward. For purposes herein, a bribe or gratification is any gift, payment, benefit or other advantage, pecuniary or otherwise, offered, given or received in order to secure an undue or improper result, award, decision, benefit or advantage of any kind.
 - (b) Without prejudice to any other rights that MMHE may have under the ORDER or at law, MMHE may terminate the ORDER or any WORK immediately upon notice in writing should the MMHE including any of its employees, and agents violate the provisions of this sub-clause.
 - (c) Any form of gratification in connection with this CONTRACT is strictly prohibited. SUPPLIER including all of its employees and agents (of any tier) shall not directly or indirectly solicit, accept or obtain or agreeing to accept or attempting to obtain, from any party for themselves or for any other party or offer, promise or give to any party any bribe or gratification as an inducement or a reward. For purposes herein, a bribe or gratification is any gift, payment, benefit or other advantage, pecuniary or otherwise, offered, given or received in order to secure

an undue or improper result, award, decision, benefit or advantage of any kind.
(d) Without prejudice to any other rights that MMHE may have under the CONTRACT or at law, MMHE may terminate the CONTRACT or any WORK immediately upon notice in writing should the SUPPLIER including any of its employees, and agents violate the provisions of this sub-clause.

38.0 INSTALLATION OF UNLICENSED SOFTWARE

- 38.1 SUPPLIER shall comply with the Malaysian Copyright Act 1987 including any subsequent amendments to or re-enactments of the said Act. The SUPPLIER shall ensure that any software provided and installed by the SUPPLIER used in connection with the WORK, either used on MMHE's IT equipment or SUPPLIER's IT equipment, must have a valid license for such software prior to the installation and use.
- 38.2 SUPPLIER shall maintain accurate and up-to-date records of all software provided, downloaded or installed by the SUPPLIER on SUPPLIER's IT equipment. SUPPLIER, while working at Site, shall adhere to the software licensing requirement and update their software(s) inventory and licenses on a regular basis in compliance to rules.
- 38.3 The SUPPLIER shall save, indemnify, defend and hold harmless MMHE from all claims, losses, damages, costs (including legal costs on a solicitor and client basis), expenses, and liabilities of every kind and nature for, or arising out of, any alleged or actual infringement of unlicensed software, arising out of or in connection with the performance of the obligations of the SUPPLIER under the SUPPLIER.