

REC SOLAR PTE LTD

Conditions of Contract

C.16.R.001

Singapore

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PART I - GENERAL PROVISIONS

1 DEFINITIONS

In the Contract, the following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

Company's Representative	The person who at any time is appointed in accordance with these Conditions of Contract, to act on behalf of Company.
Company's Site	The place provided by Company for installation of the Equipment.
Completion Certificate	The Certificate to be issued by Company after successful completion of Final Performance Test (SAT 2) and closure of all open items in the punch list and acceptance of all documentation as required under the Contract.
Contract	The Form of Agreement signed by Company and Contractor, these Conditions of Contract and the Appendices listed in the Agreement.
Contract Object	The Equipment together with all documentation (analysis, drawings, documents, data-tapes etc.), operating manuals and all other items to be provided by Contractor in accordance with the Contract.
Contract Schedule	The time schedule set out in the Appendix to Conditions of Contract for the performance of the Work.
Contract Price	The total fixed lump sum payable to Contractor, as that sum is increased or decreased in accordance with the provisions of the Contract.
Contractor's Representative	The person who at any time is appointed in accordance with these Conditions of Contract, to act on behalf of Contractor.
Contractor's Site(s)	All places where the Work is performed except Company's Site.
Delivery Date	The date of Delivery of the Equipment set out in the Conditions of Contract.
Delivery Protocol Certificate	The Certificate to be concluded by both parties in accordance with the Contract, when the Equipment is ready for Performance Test (SAT 1)
Equipment	Each and/or all of the tools, as the case maybe, which Contractor, according to the Contract, shall deliver, together with all parts thereof. Any references made to Equipment prior to delivery shall be understood so as to refer to such parts of the Equipment that have been completed by the Contractor.
Factory Acceptance Test (FAT)	A test at Contractor's Site prior to delivery of Equipment to Company's Site.
Final Performance Test – (SAT 2)	SAT 2 at Company's Site, after Performance Test (SAT 1), to test the performance of the entire integrated Production Line Equipment in accordance with the requirements of Contract Document
First Functional Test (FFT)	A test at Company's Site to turn on and run the Equipment before Performance Test 1 (SAT 1)
Maintenance Certificate	The Certificate(s) issued upon expiry of Warranty period or any extended period and rectification of all defects and completion of all Warranty works.

Materials	All items required for the Work (intended to form part of the Equipment including parts, wears, consumables, etc as stated in the Contract), other than working equipment.
Performance Test (SAT 1)	Site Acceptance Test 1 at Company's Site, after issuance of Delivery Protocol Certificate and/or Factory Acceptance Test (FAT) Certificate, to test the performance of Equipment in accordance with the requirements of Contract Document
Performance Certificate(s)	The certificate(s) to be issued after Performance Test (SAT 1) in accordance with the Contract.
Warranty Bond	The unconditional bond provided by Contractor's bank in accordance with the Contract.
Specifications	Company's Documents, Contractor's Documents, Contractor's Engineering, and Performance Figures set out in the Contract Document.
Statutory Requirement	The requirements of any law, regulation, resolution, rule of court, or other instrument made by any authority that has jurisdiction with regard to the Work, as from time to time enacted or amended.
Spare Parts	Replaceable components which can be sub-assembled or integrated into the Equipment and which are identical to and interchangeable with the items that these components are intended to replace.
Safe to Operate	Procedure to prove safety after installation on site.
Subcontract	An agreement entered into between Contractor and a Subcontractor for the supply of goods and/or services in connection with the Work. Any requirements, obligations etc. imposed by the Contract on Contractor in respect of any Subcontract shall also apply in respect of any sub-Subcontract, sub-sub-Subcontract, etc. as though the sub-Subcontract, sub-sub-Subcontract, etc. was a genuine Subcontract.
Subcontractor	A Third Party who has entered into a Subcontract with Contractor. Any requirements, obligations etc. imposed by the Contract on Contractor in respect of any Subcontractor shall also apply in respect of any sub-Subcontractor, sub-sub-Subcontractor, etc. as though the sub-Subcontractor, sub-sub-Subcontractor, etc. was a genuine Subcontractor.
Third Party	All parties other than Company and Contractor.
Variation Order	Instruction of Variation to the Work issued in accordance with the Contract.
Variation Order Request	A request issued by Contractor in accordance with the Contract.
Variation to the Work	A variation to the Work, Contract Schedule, Company's Documents, Contractor's Documents and Company Deliverables made in accordance with the Contract.
Wear Parts	Parts that are expected to wear out and must be maintained.
Work	All works, services, duties and obligations which Contractor is required to perform or cause to be performed in accordance with the Contract.



2 CONTRACT DOCUMENTS – INTERPRETATION

- 2.1 If Contractor identifies at any time a conflict, discrepancy, ambiguity, inconsistency, error or omission ("conflict") in or between provisions in any part of the Contract documents, Contractor shall immediately notify Company of the conflict and Company shall issue instructions as to the manner in which the conflict is to be resolved. Contractor shall not be entitled to any Variation Order or Time Extension from any instructions issued to resolve the "conflict" without mutual agreement between both parties.
- 2.2 The language of the Contract shall be English which shall be used in all communications, including, reports, correspondence, drawings, specifications, calculations, as-built documentation, training materials, and invoices between the parties.
- 2.3 None of the provisions of the Contract shall be considered waived by either party unless such waiver is given in writing as a notice and clearly identified therein as a waiver. No such waiver shall be a waiver of any past or future default, breach or modification of any of the terms, provisions, conditions or covenants of the Contract unless expressly set forth in such waiver.
- 2.4 If any provision of the Contract is held invalid, illegal or unenforceable in any jurisdiction the parties shall in good faith negotiate to replace such provision with a new provision that is valid, legal and enforceable and that puts the parties in substantially the same economic, business and legal position as they would have been in if the original provision had been valid, legal and enforceable.
- 2.5 The Parties agree that the terms and conditions of this Contract will prevail over any and all other terms and conditions of any kind, including without limitation the purchase orders issued by the Company or the order confirmations issued by the Contractor or any such other documents except to the extent that both parties agree in writing that it is to over-ride specific provisions contained in this Contract.

3 REPRESENTATIVES OF THE PARTIES – NOTICES

- 3.1 Prior to the commencement of the Work, each party shall appoint a representative with authority to act on its behalf in all matters relating to the Contract, and a deputy who shall have the same authority who shall act in the absence of the representative. The Contractor's Representative shall hold the designation of Project Director and above, while the deputy Contractor's Representative shall hold the designation of Project Manager and above. Each party may, by giving 14 calendar days notice to the other party, substitute a representative or a deputy.
- 3.2 Subject to written prior permission issued by Contractor after Company's request to visit Contractor's site(s) which permission shall not be unreasonably withheld, Contractor shall afford Company's Representative, and other personnel authorised by Company, access to Contractor's Site(s) and the Work, including all relevant documents relating to the Work which are kept at

these sites, at all times. Company shall access to Contractor's Site(s) and the Work during normal business hours and at its own expenses, and shall comply with applicable Contractor's in-house safety, environment, confidentiality and security rules and policies at Contractor Site(s).

- 3.3 All notices, permissions, claims, instructions, consents, approvals and other information to be given in accordance with the provisions of the Contract shall be in writing to the relevant party's representative.
- 3.4 Forthwith upon the commencement of the Work, a steering committee ("Steering Committee") will be formed to oversee and supervise the implementation and execution of the Work. The Company's Representative, deputy Company's Representative, Contractor's Representative and deputy Contractor's Representative shall be members of the Steering Committee, and the Company's Representative shall be the project leader ("Project Leader") to coordinate the activities amongst the members of the Steering Committee. The Steering Committee will have physical meetings or teleconferences at Company's premises or other site mutually agreed with such frequency as determined by both parties, but shall at least comprise the following:
- (a) Design review meeting at Company's premises or other site mutually agreed to be compulsorily attended by the Contractor's Representative/deputy Contractor's Representative and the designer of the Equipment as soon as the commencement of the design phase of the Works, for the Contractor to observe and be briefed on the conditions of the equipment, facilities, health, safety and environment regulations and general aspect of the Company affecting the Works; and
 - (b) Physical meetings or teleconferences every two weeks during installation and commissioning phases of the Work.
- 3.5 The functions and responsibilities of the Steering Committee shall be:-
- (a) Monitoring the project progress and status of the Works. For the avoidance of doubt, Contractor shall have the responsibility and obligation to comply with the work schedule notwithstanding the monitoring of the project progress and status by the Steering Committee;
 - (b) Mitigating delays that may arise from the execution of the Works;
 - (c) Resolving any differences and issues arising from the Work and the responsibilities of each party with respect to such differences and issues; and
 - (d) Attending to such matters related to the Works.

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- 3.6 If any question or situation shall arise during the Works that is not expressly provided for in the Contract, the same shall be resolved by the Steering Committee in the spirit of mutual co-operation.
 - 3.7 Contractor's Representative, deputy Contractor's Representative or any personnel ("Onsite Manager") appointed by Contractor's Representative shall be stationed full-time at the Company's premises during the installation phase of the Work. The Contractor's Representative, deputy Contractor's Representative or Onsite Manager shall have the full authority and responsibility to receive instructions and directions from the Company, and the right, benefits and powers to make decisions and take actions as he deems fit which are binding on the Contractor.



PART II - PERFORMANCE OF THE WORK – PAYMENT**4 REPRESENTATIONS AND OBLIGATIONS OF CONTRACTOR – CONDITIONS AT COMPANY'S SITE**

4.1 Contractor shall perform and execute its obligations under the Contract as an independent contractor. Nothing in the Contract shall entitle Contractor, or any of Contractor's personnel or agents to represent to any Third Party that they are agents, representatives or employees of Company.

In executing its obligations Contractor shall:

- a) be responsible for and give high priority to safety in order to avoid loss or damage to property and injury to persons and in connection therewith adopt safety standards and procedures equivalent to best international standard, but in any event no less than the minimum Singapore safety standards and safety practice under Statutory Requirements, and
 - b) take full responsibility for the adequacy, stability and safety of all designs, Materials, equipment, operation and methods of construction required to perform the Work, and
 - c) comply with all applicable Company's regulations, in-house rules and policies, which may subject to changes from time to time, in force at Company's Site when performing Work there.
- 4.2 Contractor shall take good care of the Contract Object and Materials and shall ensure that they are kept safe and secured and in good order and condition.
- 4.3 Contractor shall have the sole responsibility for, and has investigated and satisfied himself as to the nature, site conditions and location of Company's Site, and its suitability for the Work, needed for performance of the Work and all other matters which can in any way affect performance of the Work. Upon request by Contractor as necessary, Company shall provide Contractor with any information relating to such site conditions and suitability.
- 4.4 Contractor shall always apply work permit first and notify Company 7 days in advance if Work is to be performed beyond regular or stipulated working hours. Company reserves the rights to reject any request should the Work affect the Company's operation.
- 4.5 Contractor shall keep Company's Site, adjacent storage and connecting roads, etc. in proper order and shall regularly during the course of the Work clean up all garbage and litter at the said places. Company's Site and all adjacent places shall be finally cleared and left in a clean and tidy condition prior to issue of the Completion Certificate.



5 AUTHORITY REQUIREMENTS, PERMITS, QUALITY MANAGEMENT AND BUSINESS ETHICS

- 5.1 Contractor shall keep itself informed of and at its own cost comply with and ensure that the Work is carried out in compliance with the Statutory Requirements and requirements and orders of relevant certifying agencies.
- 5.2 Contractor shall in due time obtain and maintain those approvals, licences, authorisations and permits which are necessary for the performance of the Work and which can be obtained in Contractor's name.
- 5.3 When requested by Company, Contractor shall without delay submit such information about the Work and about Contractor and Subcontractors as Company is obliged to submit to any authorities having jurisdiction over the Work.
- 5.4 Contractor warrants that it is currently licensed or capable of being licensed in accordance with Statutory Requirements in any place where the Work or any part thereof is to be performed.
- 5.5 The Contractor shall fully relieve and protect Company from any and all responsibility or liability therefore or in regard thereto including: the production, furnishing, use or consumption of Materials and working equipment and the hire or employment of work force.
- 5.6 Contractor shall implement and document a system for quality management in accordance with the requirements stated in Contract Documents. Company's Representative and personnel shall have the right, on giving reasonable notice, to undertake quality audits on Contractor's performance of the Work as well as of their quality management systems.
- 5.7 Notwithstanding anything to the contrary expressly set out in or to be implied from the Contract, no actions taken by or on behalf of Company in checking, verifying, reviewing, consenting to, approving, testing or inspecting the Work or the Materials shall in any way relieve or modify the obligations or liabilities of Contractor in accordance with the requirements of the Contract.
- 5.8 Company is committed to the following:-
- Obeying all applicable laws and regulations
 - Respecting local customs and traditions
 - Acting according to the highest level of business ethics
 - Safeguarding internationally proclaimed human rights
 - Proper handling of health and safety issues



- Minimizing negative environmental impacts and preventing pollution
- Elimination of all forms of forced labour
- Effective abolition of child labour
- Elimination of all forms of discrimination
- Working against corruption and financial crime in all its forms

and it selects and retains only contractors who explicitly share this commitment. By its signature hereupon Contractor irrevocably declares and agrees that it shall be bound by all generally accepted standards relating to the above, that it shall report any incidents of non-compliance with the above to Company, and that it acknowledges and agrees that any systematic failure to meet such standards shall constitute a material breach of the Contract entitling Company to immediate termination of the Contract without any right of compensation for Contractor.

Company may audit Contractor for compliance with this Article. Such audits may include documentation review and site visits, and Contractor shall provide Company with all such documentation as is reasonably requested and with access to all of its sites as Company may reasonably request. Failure to accept and/or reasonably facilitate such audit shall constitute a material breach of Contract. Any such audit shall be conducted during regular business hours and shall not interfere unreasonably with Contractor's business activities. Notwithstanding as stated above, the Contractor reserves the right to reject the Company's audit request unless Company can reasonably justify the audit requests.

- 5.9 Contractor shall not permit nor countenance, and shall use its best endeavours to ensure that its personnel and any Subcontractors do not permit nor countenance, the offering, promising, making or causing to make, either directly or indirectly, any bribe, facilitation payment, gift of other than nominal value, loan, fee, reward, entertainment of a nature and cost which, when considering all relevant circumstances is neither appropriate nor reasonable, nor any other advantage to, or for the benefit of Company for the purposes of obtaining, retaining or directing business, nor otherwise influencing the performance of the Work or the obligations under the Contract.
- 5.10 Contractor shall not make, and shall use its best endeavours to ensure that its personnel and any Subcontractors do not make, any payment or offer to pay thing of value, directly or indirectly, to any government officials in connection with the Contract for the purpose of influencing an act or decision in such government official's capacity or inducing such government official to influence the government in violation of any Statutory Requirements. The Contractor shall demonstrate that it has implemented adequate procedures for the prevention of corruption in compliance with the Statutory Requirements and to the satisfaction of the Company.



- 5.11 Contractor shall immediately notify Company if it has any knowledge of or suspects any breach. In the event Company notifies Contractor of any concerns that there has been a breach of the above provisions, Contractor shall cooperate in good faith with Company in determining whether such a breach has occurred.

6 COMPANY'S DOCUMENTS AND CONTRACTOR'S DOCUMENTS

- 6.1 Contractor shall be fully responsible for all design and engineering works required to complete the Work, even if it is accepted or approved by Company. The giving of consent or approval by or on behalf of the Company's Representative shall not in any way relieve the Contractor of any of his obligations under the Contract or of his duty to ensure the correctness, accuracy or suitability of the matter or thing which is the subject of the consent or approval. The Contractor shall not discharge any of his design liability pertaining to all design works in complying with the contract document.

7 SUBCONTRACTING AND ASSIGNMENT

- 7.1 Contractor shall not enter into Subcontracts for any parts of the Work without Company's prior consent, which shall not be unreasonably withheld or delayed.
- 7.2 Contractor's Representative and/or his deputy shall remain as the point of contact even if consent is given by Company for subcontracting. Consent to subcontracting shall not:
- a) relieve Contractor from any obligations or liabilities under the Contract and Contractor shall be responsible for the acts or omissions of any Subcontractor and agents as though they were the acts and omissions of Contractor, or
 - b) obligate Company to pay any money whatsoever other than the Contract Price.
- 7.3 Company may at any time assign its rights and obligations under the Contract to a Third Party. Contractor may not assign or mortgage the Contract or any part thereof or otherwise dispose of in any manner any interest in the Contract to a Third Party without Company's prior approval.

8 PERSONNEL FOR THE WORK

- 8.1 Contractor shall not appoint, withdraw or replace personnel in positions described as key positions approved by Company unless with at least 14 days' prior written notice to the Company. Contractor shall at its own cost replace personnel who in Company's opinion conduct themselves in an improper manner or do not comply with safety or other regulations at Company's Site or are unsuitable to perform their tasks.
- 8.2 Contractor shall arrange for mobilisation of its personnel to Company's Site including arranging for the issue of all visas, licences, work permits, residence permits, certificates of medical



fitness, etc. Company shall not be responsible for rejection of or delay in obtaining such visas, permits and licences.

Contractor shall ensure that all its personnel when being at or adjacent to Company's Site shall have identification badges which shall be worn at all times. Such badges shall identify both Contractor and the employee name.

Contractor shall be responsible for and shall provide at its own cost and expense all necessary accommodation, mess, first aid and other facilities for its personnel at Company's Site and elsewhere, and all transportation for its personnel between their points of origin and Company's Site, if applicable, and all transportation as may be required for performance of the Work in and around Company's Site.

8.3 Contractor shall ensure that all of its personnel who have to perform their duties at any Company's Site are healthy, fit and suitable in every respect to perform the Work. Contractor shall ensure that all of its personnel understand safety related notices, verbal instructions, and public announcements. Contractor shall also ensure that its supervisory personnel have a good working knowledge of the English language.

Contractor shall always be fully responsible for the safety, security, health and welfare of its personnel, including payment of all expenses in connection with medical attention, treatment, examination, care, hospitalisation and ambulance transport as may be required for its personnel.

Contractor shall provide its personnel with all necessary personal safety equipment and protective clothing.

8.4 Contractor shall immediately inform Company of any personnel injury and loss or damage to any property at or about Company's Site and report such occurrences to the competent authority whenever such a report is required by the Statutory Requirements.

9 DELIVERY AND COMPLETION

9.1 The Company reserve the rights to inspect the Equipment to be supplied by the Contractor at any point of time before delivery of Equipment. The inspection shall usually comprise a site visit where the Equipment is produced with an audit checklist.

9.2 Delivery Protocol and Delivery of the Equipment shall take place in accordance with this Article.

(a) When the Equipment is ready for FAT, the Contractor shall give the Company at least 30 days' prior written notice of the date schedule for the FAT. The Company shall be entitled to nominate its representatives to attend and witness the FAT. The FAT Certificates shall be issued when the Equipment has been completed, has passed the FAT specified in the Contract and all documentation necessary for Company's operation of the Equipment has



been completed and is ready for delivery to Company Site. The FAT Certificate shall be signed jointly by the parties.

- (b) When the Equipment has passed its FAT, Contractor shall give Company at least 7 day's prior written notice of readiness for delivery of the Equipment. Without limiting the rights of Company to issue the FAT Certificate as aforesaid, Company may in its discretion issue a Conditional FAT Certificate for punch list items yet to be completed by the Contractor for FAT. The Conditional FAT Certificate authorizes the Contractor to deliver the Equipment, but shall not constitute satisfaction by Contractor of the payment milestone for FAT or delivery of Equipment unless all punch list items have been completed as approved by Company.
- (c) The Delivery Protocol Certificate shall be issued by the Company when the Equipment has been completed, has passed the tests (including without limitation, FAT, Mechanical Completion, Safe to Operate, First Functional Test (FFT), except for the performance tests) specified in the Contract, Training has been conducted, Punch List closed and all documentation necessary for Company's operation of the Equipment has been completed and is ready for acceptance test at Company's Site.

- 9.3 Following issuance of the Delivery Protocol Certificate, Performance Test (SAT 1) shall be carried out under Contractor's supervision and responsibility. If the Performance Test (SAT 1) reveals defects and/or deficiencies in the Equipment, Contractor shall take immediate action to correct them at its own cost.

Performance Certificate will only be issued after Performance Test (SAT 1) and completion of all defects and/or deficiencies in the Equipment to the satisfactory of the Company.

Company may issue a Conditional Performance Certificate(s) for punch list items yet to be completed by the Contractor, at the stage of Performance Test (SAT 1) or Final Performance Test (SAT 2). Contractor shall upon receiving the Conditional Performance Certificate(s), clear all punch list items before the Completion Certificate can be issued by the Company. Pending the resolution of the punch list items by Contractor, Company may use the Equipment for production trial runs to continually assess and evaluate of the Equipment to support Contractor's efforts in resolving the punch list items.

- 9.4 Company shall issue the Completion Certificate after Final Performance Test (SAT 2) and all Work has been completed in accordance with the Contract and after closure of all open items in the punch list and submission of all documents as required under the Contract.

10 TITLE TO THE CONTRACT OBJECT AND MATERIALS

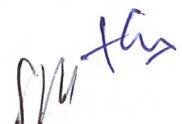
- 10.1 Title to the Contract Object shall pass to Company upon delivery to Company.
- 10.2 At all times the Contract Object and Materials to which Company holds the title shall be free of liens other than those for which Company is responsible.



- 10.3 Risk of loss, damage or deterioration of the Equipment and Materials shall not pass to the Company until the Equipment and Materials are successfully commissioned (as evidenced by the Completion Certificate), and the Contractor shall be responsible for any loss and damage to the Equipment and Materials prior to risk passing.
- 10.4 The Contractor shall take all necessary actions to give effect to the vesting of the Equipment in the Company under this Article, including without limitation, the marking and separate storing of the Equipment and all parts designated for the Equipment at the Contractor's premises so that the Equipment can be identified as the property of the Company registration (if required under the laws of the jurisdiction governing the Contractor or applicable to the Contractor's premises) of the title and interests of the Equipment as the property or in the name of the Company and allowing inspection by the Company and its employee at the Contractor's premises at any time to ensure compliance with this Article.
- 10.5 Contractor is responsible for the maintenance of the Equipment including providing necessary spare and wear parts as needed and when requested by the Company at any time prior to the passing of risk of loss, damage or deterioration of the Equipment to the Company.

11 TERMS OF PAYMENT – SECURITY FOR COMPANY'S CLAIMS

- 11.1 Company shall in accordance with the provisions stated in the Contract pay to Contractor the Contract Price for carrying out and completing the Work in accordance with the Contract.
- 11.2 Unless otherwise prescribed in the Appendix to Conditions of Contract, the following provisions shall apply to invoicing:
- The Contract Price shall be payable to Contractor upon Contractor's achievement of the payment milestones.
 - In respect of Variation Orders in accordance with Articles 12 and 13.
 - Such invoices shall be accompanied by all documentation necessary to substantiate the invoiced amount.
- 11.3 Company shall, within 60 days after receipt of an original invoice pay the amount due to Contractor. The invoice should reflect the cumulative Work done with the following deductions may be made from the payment:
- any previous payments paid to Contractor, and
 - those parts of the invoiced amount which Company specifically notifies Contractor as being insufficiently documented, substantiated or which are otherwise disputed, and
 - all amounts due to Company from Contractor.



- d) any withholding taxes (if applicable).

The Company payment cycle is effected once (i.e. 30th) of every month. The submission of an original invoice shall be at least 7 working days prior to the cut off date. Should the submission of the payment claim be received after the stipulated dateline, the payment shall be automatically constituted to the next payment schedule.

- 11.4 Within 30 days after issuance of the Completion Certificate (SAT 2), Contractor shall submit its proposal for the final account with proper documentation and substantiation. The proposal shall contain a breakdown of the Final Account Payment Claim for the entire Contract and all requests for payment to be made by Contractor, less any liquidated damages and other amounts due to Company. The proposal shall contain documentation relating to each item included in the breakdown. Company shall deem the last payment claim as Contractor's final account payment claim if there is no final account received from the Contractor within the stipulated period.
- 11.5 If Contractor performs part of the Work on a reimbursable basis, Contractor shall provide documentary evidence of its cost associated with such work.
- 11.6 Before issuing of Completion Certificate, Contractor shall provide, at its own costs, a warranty bond, in the form of bankers' guarantee, with an equivalent value of 10% of the contract sum, from a first class international bank, acceptable to Company. The bank must have a registered address in Singapore so that Company will be able to recover the guarantee sum in Singapore. Contractor shall comply strictly, with no exception, in the specimen as set out in Appendices.
- 11.7 The Warranty Bond shall remain in full force and shall expire 180 days after the Warranty Period. The submission of Warranty Bond is a condition precedent before any payment can be made to the Contractor.



PART III - VARIATIONS AND CANCELLATIONS

12 RIGHT TO VARY THE WORK

- 12.1 Company has the right to order such Variations to the Work which in Company's opinion are desirable.

Variations may include an increase or decrease in the quantity, character, quality, kind or performance of the Work or any part thereof, as well as changes to the Contract Schedule.

- 12.2 If Company orders a Variation to the Work, then Contractor shall submit a quotation within 10 business days. Company may also require an estimate prior to deciding whether or not to proceed with the Variation to the Work.

The Variation to the Work estimate shall be expressly identified as, containing:

- a) a description of the Variation to the Work in question, and
- b) a detailed schedule for the execution of the Variation to the Work showing the required resources and significant milestones, and
- c) the effect on the Contract Price with detailed backup documentation based on relevant Contract rates, and
- d) the effect on the Contract Schedule, if any, with explanatory backup documentation.

13 EFFECTS OF A VARIATION TO THE WORK

- 13.1 All Contractor's obligations under the Contract shall also apply to Variations to the Work, unless specified in the Variation Order.
- 13.2 Unless otherwise agreed between the parties, the price for Variations to the Work shall be determined according to the following principles:
- a) If Schedule of rates or price breakdown contains rates for the variation Work in question, then such rates shall apply.
 - b) In other cases, the rates/prices for the variation Work shall be assessed based on prevailing marketing rates, taking into account the general price level expressed in the Contract.
- 13.3 A Variation to the Work caused by circumstances for which Contractor is responsible shall not entail any variations to the Contract Price or Contract Schedule in favour of Contractor.



14 DISPUTES AS TO WHETHER A VARIATION TO THE WORK EXISTS – DISPUTED VARIATION ORDER

- 14.1 If Company requests, instructs or orders performance of specific work which in Contractor's opinion is not part of its obligations under the Contract, Contractor shall within 7 days prepare estimates with a detail description of work and request Company to issue a Variation Order.

If Contractor has not presented a request for a Variation Order within 14 business days after Company has requested the work to be performed, then the requested work shall be deemed part of the Work to be performed by Contractor and Contractor loses the right to consider the work as variation work.

- 14.2 Such work will be deemed to be part of the Work and as such, Contractor is not entitled to any adjustment to the Contract Price, Contract Schedule or any other form of compensation in relation to said work. Such record shall be final and binding on the parties.

15 CANCELLATION

- 15.1 Company may cancel the Contract at any time and at its sole discretion upon giving notice to Contractor, who shall thereupon immediately cease the performance of the Work and shall, pending Company's instructions, preserve and protect the Equipment, Materials and working equipment committed to the Work.

- 15.2 Following such cancellation Company shall pay compensation to Contractor upon presentation of satisfactory supporting documents, the Cancellation Charges set out (in percentage basis) in the Appendix.

Payment in accordance with the provision of this Article shall be Contractor's sole entitlement to compensation arising as a result of or in connection with the cancellation of the Contract. Company shall have no liability for any losses or expenses not specifically set out in this Article.

Within 30 days of the date of cancellation, Contractor shall submit its final original invoice for the amount due under this Article.

- 15.3 Upon cancellation, Contractor shall prepare and issue a Cancellation Certificate, and shall describe the status of the Work on the date it is handed over to Company.

As a condition to the Payment to Contractor under this Article, Contractor shall return to Company copies of all documents relevant to that part of the Work completed at the date of cancellation, including one set of drawings marked up to show the actual as-built status of the Equipment, and other complete and incomplete documents, plans, drawings, specifications and manual received from the Company to carry out the duties and obligations of the Contractor set forth in this Contract.



- 15.4 Without prejudicing its rights under this Contract, Company shall be entitled to cancel part of the Contract (and not the entire Contract), by giving written notice to Contractor. In the event of the partial cancellation, such part of the Contract which has been cancelled shall be deemed severed from this Contract, such that Company and Contractor shall not be responsible for the obligations and liabilities related to the severed part of the Contract, provided that the remaining part of the Contract shall be performed and executed by the parties as if unaffected by the partial cancellation, to the maximum extent possible.

As an illustration, if Company exercises its right to cancel part of the Contract by cancelling or returning some (but not all) of the equipment which form part of the whole Equipment, the Company's obligation to pay for the cancelled/returned equipment shall be nullified and rendered void, save that Contractor shall be entitled to the Partial Cancellation Charges set out (in percentage basis) in the Appendix of such part of the Contract Price attributable to the cancelled/returned equipment. If the price of the cancelled/returned equipment has been paid by Company to Contractor, Contractor shall immediately repay the price of the cancelled/returned equipment or Company shall have the right to offset or deduct the said price from all payments due and payable to Contractor under this Contract, but taking into account the Partial Cancellation Charges.

The parties shall in good faith negotiate an equitable resolution of any issues that may arise from the exercise of the right by Company to partially cancel the Contract under this Article.

For the avoidance of doubt, partial cancellation shall be without prejudice to any other rights and remedies of the parties that accrued prior to such partial cancellation.

16 SUSPENSION

- 16.1 Company may temporarily suspend the performance of the Work or parts thereof by giving notice to Contractor. Contractor shall resume the Work after notification by Company.
- 16.2 Upon the Contractor's request, Company shall compensate Contractor for all reasonable and documented expenses arising from:
- Demobilisation/remobilisation of personnel and working equipment, and
 - safeguarding the Equipment, Materials and working equipment, and
 - personnel, Subcontractors, working equipment and any other support function which Contractor has advised Company that it must maintain or which Company has required Contractor to maintain during the suspension.



PART IV – WARRANTY – BREACH OF CONTRACT**17 CONTRACTOR'S DEFECTS AND WARRANTY LIABILITY**

17.1 Contractor warrants:

- a) that the Contract Object will conform during the Warranty Period to the Specifications, and
- b) that the Equipment and the Materials shall be free from defective workmanship and materials, and
- c) that the Equipment and Materials shall be of a satisfactory quality, and
- d) that Equipment is fit and suitable for the purpose for which, the Company intends to use, which purpose the Contractor hereby confirms to be familiar with, and
- e) that Materials delivered by Contractor for incorporation into the Equipment are new, and
- f) the performance of the Work shall be in accordance with Statutory Requirements and shall meet the highest international standards and practices generally adopted by professionals in the same or similar industry.

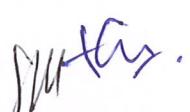
17.2 The Warranty Period for the Equipment runs from the date the issuance of Completion Certificate, and expires one year thereafter with an optional second year extended warranty (Company's sole discretion to exercise prior to the end of first year warranty) or issuance of Maintenance Certificate whichever is the latest.

If Contractor has performed repair, modification or replacement work during the Warranty Period, then such parts of the Work covered by the repair, modification or replacement, shall be warranted by Contractor for a new one (1) year warranty period from such repair, modification, replacement or installation.

The Warranty Period shall be extended accordingly by the period during which the Equipment is out of service which shall be computed from the date of notification by the Company to the Contractor.

17.3 If the performance guarantee figures established during Final Performance Test (SAT 2) are not met during the Warranty Period, Contractor shall at its own cost carry out any modifications required and rerun the Final Performance Test (SAT 2) until the performance guarantee figures are met.

Company has the right, at any time after the second unsuccessful performance test to refuse to perform further performance testing and to claim liquidated damages amounting to 10% of the Contract Price.



- 17.4 If the Contract Object has a defect (non-fulfilment of any requirement of the Contract) or does not conform with the Specifications during the Warranty Period, Contractor is liable for the defect or non-conformance.
- 17.5 During the Warranty Period, when Contractor is liable for a defect or non-conformance, it shall rectify the defect or non-conformance as soon as possible, but at a time convenient to Company. All such rectification work shall be at Contractor's own cost and shall include all direct consequences of the defect for the Equipment. Prior to commencing any rectification work, Contractor shall notify Company of which measures it intends to take to make good the defect or non-conformance and the time for rectification.
- 17.6 If Contractor is unable or unwilling to rectify a defect or non-conformance within a reasonable time after Company's notification, Company shall be entitled to rectify the defect or non-conformance itself or engage a Third Party approved by Company to do so and Contractor shall pay all reasonable costs incurred by Company in carrying out such rectification Work.

18 DELAYS

- 18.1 Contractor shall perform the Work in accordance with the milestone dates in Appendix to Conditions of Contract.
- Contractor shall be deemed to be in delay if the Work contained in the Contract Schedule is not completed by the milestone date.
- 18.2 The reasons or ground for extension of time which Company will consider shall only be limited to the following:
- (a) Force Majeure events as qualified in these Conditions of Contract,
 - (b) The issuance of any Variation Orders,
 - (c) Any delay caused by the Company.

It is condition precedent that Contractor submits, within 14 days, any request for extension of time from the date of delayed event or variation order, for Company to grant the extension of time.

- 18.3 If measures proposed or implemented by Contractor are insufficient to avoid, recover or limit the delay, then Company may require Contractor to take the measures which Company considers necessary to avoid or recover the delay at no extra cost to Company. The Contractor shall, if instructed by Company, implement such measures.
- 18.4 If Contractor fails to meet any of the milestone dates marked as liquidated damage milestones, it will be liable for liquidated damages in the Appendix.



Both parties agree that the liquidated damages given in the Appendix constitute genuine pre-estimates of Company's losses due to delays, and do not include any kind of penalties.

19 TERMINATION DUE TO CONTRACTOR'S DEFAULT

19.1 Company is entitled to terminate the Contract after Company has given 30 days' notice to Contractor to cure any of the following events (each, a "Termination Event") and the Termination Event remains uncured during the said 30-day period. The Termination Events are :

- a) The Liquidated Damages reached the maximum limit, as stipulated in the Appendix,
- b) Company has informed Contractor that employees belonging to Contractor or any of its Subcontractors have substantially violated safety regulations at Company's Site,
- c) With respect to the following contractual milestones, Contractor has either (1) failed to pass any of the milestone tests after more than 2 attempts or (2) the cumulative delay in the attainment of the contractual milestones has exceeded 6 weeks:
 - (i) Factory Acceptance Test (FAT)
 - (ii) Delivery Protocol Certificate
 - (iii) Performance Test (SAT1)
 - (iv) Final Performance Test (SAT 2)
- d) Contractor is in any substantial breach of Contract and continues to be in such breach of Contract after receipt of 14 days' notice to comply with the Contract, or
- e) Contractor
 - i. becomes insolvent or is unable to pay its debts when due,
 - ii. stops or suspends payment of all or a material part of its indebtedness,
 - iii. proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors,
 - iv. is subject to receivership, administration, judicial management or like process where it or a material part of its property is under the control or management of its creditors or court-appointed officers or other Third Party,
 - v. commences, or has commenced against it, proceedings under any bankruptcy, insolvency or debtor's relief law, which proceedings are not dismissed within thirty (30) days, or



vi. is liquidated or dissolved.

19.2 In the event of such termination, Contractor shall stop Work to the extent specified in the notice. Contractor shall thereafter give Company possession of the Contract Object including all Materials not yet incorporated in the Equipment. In such event Company shall also be entitled to temporarily take over any working equipment of the Contractor at Company's Site in order to complete the Equipment.

19.3 Contractor shall not be entitled to receive any further payment until the Completion Certificate is issued. Upon issue of the Completion Certificate, Company will determine the total cost incurred in completing the Contract Object including additional overhead, legal and other costs incurred by Company as a direct consequence of, and in order to effect such termination. If the total costs noted above exceed the balance of the Contract Price unpaid at the time of termination, Contractor shall, promptly after receipt of an invoice, pay to Company the amount of such excess.

In the event of termination due to failure of performance during the Warranty Period, the Contractor shall be responsible for all costs stipulated above, upon completion by Company or any Third Party of rectification works to rectify the failure of performance.

19.4 Without prejudicing its rights under this Contract, Company shall be entitled to terminate part of the Contract (and not the entire Contract) on the occurrence of the events stated in Article 19.1 a), b), c) and d), by giving written notice to Contractor. In the event of the partial termination, such part of the Contract which has been terminated shall be deemed severed from this Contract, such that Company and Contractor shall not be responsible for the obligations and liabilities related to the severed part of the Contract, provided that the remaining part of the Contract shall be performed and executed by the parties as if unaffected by the partial termination, to the maximum extent possible.

As an illustration, if Company exercises its right to terminate part of the Contract by returning some (but not all) of the equipment which form part of the whole Equipment, the Company's obligation to pay for the returned equipment shall be nullified and rendered void. If the price of the returned equipment has been paid by Company to Contractor, Contractor shall immediately repay the price of the returned equipment or Company shall have the right to offset or deduct the said price from all payments due and payable to Contractor under this Contract.

The parties shall in good faith negotiate an equitable resolution of any issues that may arise from the exercise of the right by Company to partially terminate the Contract under this Article.

For the avoidance of doubt, partial termination shall be without prejudice to any other rights and remedies of the parties that accrued prior to such partial termination, including without the limitation the Liquidated Damages payable to Company under this Contract.



PART V - LIABILITY AND INSURANCES**20 LOSS OF OR DAMAGE TO THE EQUIPMENT OR MATERIALS**

- 20.1 If loss of or damage to the Equipment or Materials occurs from any cause whatsoever between the commencement of the Work and issuance of the Completion Certificate, Contractor shall perform the measures necessary to ensure completion of the Work in accordance with the Contract, at no cost.

21 INDEMNIFICATION

- 21.1 Contractor shall indemnify Company from and against any claim concerning bodily injury or loss of life or property damage suffered by Company arising from the breach of this Contract or from the defaults negligence or wilful misconduct of the Contractor, its employees, subcontractors, consultants, agents or any persons appointed by or over whom Contractor has control.
- 21.2 Contractor shall indemnify Company from claims resulting from infringement of patent or other industrial property rights in connection with performance of the Work, use of such rights in the Equipment, Company's use of the Contract Object or use, sale or other disposal of the products produced in the Equipment. If Company is held to be in breach of intellectual property rights owned by a Third Party for which Contractor shall indemnify it, Contractor shall at its own cost acquire such rights as are required to allow Company to continue to operate the Equipment. Alternatively, Contractor shall at its own costs make necessary modifications to the Equipment required to ensure that Company's continued use of the Equipment does not infringe the rights of the Third Party
- 21.3 Contractor shall indemnify Company from all claims, including but not limited to loss of profits, loss of use, loss of production, loss of business or loss of business opportunity or is a claim for consequential loss or for indirect loss of any nature suffered or allegedly suffered by Company resulting from any infringement of patent or any other intellectual property rights by Contractor.
- 21.4 The Contractor's maximum aggregate liability arising from, or in connection with, the performance or non-performance of this Agreement shall be limited to the Contract Price. Notwithstanding the above, nothing in this Agreement shall limit the Contractor's indemnity obligations, nor its liability for damage caused by gross negligence or wilful misconduct, for death or personal injury, claims under the applicable product liability legislation and for breaches of its confidentiality obligations.

22 INSURANCES

- 22.1 Contractor shall provide and maintain the following insurances
- Insurance covering the Equipment and Materials against physical loss or damage until arrival at Company's Site.



- b) Personnel insurance which shall cover losses in connection with illness, personal injury or accidental death among Contractor's and Subcontractors' employees who are performing the Work.
- c) Insurance for all working equipment brought to Company's Site.

The insurance mentioned in Article 22.1(b) and (c) shall be effective from the start of the Work and shall not expire until the expiration of the Warranty Period.

Contractor shall also provide a primary liability insurance ("PL Insurance") for an amount as stipulated in the Appendix to Conditions to Contract for each occurrence covering Contractor's liability in connection with the Work, but if Contractor shall encounter difficulty in securing the PL Insurance, Company may effect and maintain such PL Insurance and deduct the insurance premium paid or payable by Company for this purpose from any moneys due or to become due to Contractor, provided that Company shall obtain the prior approval of Contractor for the insurance premium payable for the PL Insurance if it exceeds USD5,000.

- 22.2 Contractor shall provide, within 14 days, to Company certified copies of the policies or insurance certificates, at Company's option, relating to all insurances taken out in accordance with the Contract.



PART VI - FORCE MAJEURE. PROPRIETARY RIGHTS. CONFIDENTIALITY**23 EFFECTS OF FORCE MAJEURE**

23.1 This Article applies if either party is unable to perform its obligations in whole or in part under the Contract by reason only of Force Majeure which shall mean any event or circumstance that is beyond the reasonable control of the party invoking this article, and which that party could not reasonably have foreseen or prevented. The following events, qualify as Force Majeure:

- a) strikes, lockouts, industrial action or labour disputes which are wide spread (excluding strikes, lockouts and other labour disputes or actions by, between or originated among employees of Contractor and Subcontractors), or
- b) earthquake, tempest, cyclone, hurricane, whirlwind or other exceptionally adverse weather or environmental conditions, meteorites or other acts of God, objects falling from aircraft or other aerial devices, the occurrence of pressure waves caused by aircraft or other aerial devices travelling at supersonic speed, chemical or radio active contamination or ionising radiation, excluding circumstances where the source or cause of the explosion or contamination or radiation is brought or has been brought on to or near any of Contractor's Sites or Company's Site by the affected party or those employed or engaged by the affected party, or
- c) act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, bombs or civil commotion, or
- d) sabotage, terrorism or threat of such acts.

For the avoidance of doubt it is acknowledged and agreed that the following events shall not constitute Force Majeure:

- (i) breakdown of any working equipment used in the Work, or
- (ii) the occurrence of any weather conditions, or any consequence thereof unless such weather conditions are proven to be more severe than conditions encountered at the affected location at any time within ten years immediately preceding commencement of the Work, or
- (iii) insolvency or any other failure in performance of any Subcontractor, or
- (iv) the mere shortage of labour, materials or utilities or difficulties in obtaining permits, clearance or licences unless caused by circumstances which are themselves Force Majeure.

23.2 If either party is prevented or delayed from performing any of its obligations under the Contract due to Force Majeure, it shall within 7 days upon the occurrence of the Force Majeure event



issue a notice to the other party setting out the circumstances constituting the Force Majeure event and the obligations which are thereby delayed or prevented. The party giving such notice shall thereupon be excused from non-performance of such obligations for so long as the Force Majeure event continues. Failure to give notice as aforesaid shall preclude the party invoking Force Majeure from relying on the alleged Force Majeure event to excuse its non-performance under the Contract. The affected party shall, at its own cost, take all steps reasonably required to restore its ability to perform its obligations under the Contract as soon as reasonably possible. If the Force Majeure event exceeds 180 days, either party may cancel the Contract forthwith by giving the other party 14 days' notice to that effect.

- 23.3 During the Force Majeure event the parties shall do their best to mitigate the effects thereof and to safeguard the Contract Object and the Materials and other property and interests of the parties which may be in jeopardy as a result thereof.
- 23.4 The occurrence of Force Majeure shall not entitle Contractor to any financial compensation whatsoever.

24 RIGHTS TO DOCUMENTS, COMPUTER PROGRAMS AND INVENTIONS – LICENSE

- 24.1 Copyright and other intellectual property rights in all documents, data and computer programs provided by Company to Contractor, or which are developed mainly on the basis of such documents, data and computer programs, shall be the property of Company.
- 24.2 Inventions made by Contractor during the performance of the Work, shall be owned by Contractor except for inventions which are mainly based on technical information which Contractor has received from Company, in such case such inventions shall be owned by Company.

Contractor shall notify Company of such inventions which shall be Company's property as aforesaid, and Contractor shall provide the necessary assistance to enable Company to acquire the patents or other intellectual property rights to the inventions.

- 24.3 Contractor hereby grants to Company an irrevocable, world-wide, royalty-free, non-exclusive perpetual license (without the right to sublicense) for completion, operation (including the right for Company to sell and/or otherwise utilise all products produced by the Equipment world-wide in its entire lifetime), maintenance, modification, extension, rebuilding and repair of the Equipment.

25 CONFIDENTIAL INFORMATION

- 25.1 All technical and commercial information exchanged between the parties shall be treated as confidential and shall not be disclosed to a Third Party without the other party's permission, unless such information:
- is already known to the party in question at the time the information was received, or



- b) is or becomes part of the public domain other than through a fault caused by Company or Contractor, or
 - c) is rightfully received from a Third Party without an obligation of confidentiality,
 - d) must be disclosed as a consequence of Statutory Requirements or of any other legislation or of any order of any court, tribunal or other competent authority
 - e) is developed independently by the receiving party.
- 25.2 Contractor shall not publish information concerning the Work or the Contract without Company's prior approval, which shall not be unreasonably withheld.



PART VII – OTHER PROVISIONS

26 THIRD PARTY RIGHTS

Nothing in the Contract confers or purports to confer any benefit or right to enforce any term of the Contract pursuant to the Contracts (Rights of Third Parties) Act.

27 APPLICABLE LAW – DISPUTE

- 27.1 The Contract shall be exclusively governed by and construed and enforced in accordance with Singapore law. The 1980 United Nations Convention on Contracts for International Sale of Goods shall not apply.
- 27.2 Disputes arising in connection with or as a result of the Contract shall be exclusively and finally settled by binding arbitration in Singapore in accordance with the Singapore International Arbitration Act and the Rules of the Singapore International Arbitration Centre ("SIAC") for the time being in force, which rules are deemed to be incorporated by reference in this Article. The Tribunal shall consist of three arbitrators to be appointed by the Chairman of the SIAC. The arbitration proceedings shall be conducted in the English language.

28 SPECIAL CONDITIONS

- 28.1 Response time during Warranty Period:

If, during the Warranty period, should there be any Materials malfunction which requires immediate remedies, the response time shall be:

- i. *Qualify Service Engineer* - Contractor shall send qualified engineers to the Company's Site within 2 hours (24 hours on call standby) and to repair such malfunction within a reasonable period.
- ii. *Critical Spare and Spare Parts* - All necessary spare parts necessary for the repair shall be delivered to Company's Site within 4 hours (24 hours on call standby). All critical spare and spare parts stored in Singapore as identified by the Parties shall be purchased by Company upon the expiry of the Warranty Period, provided that if Company shall have exercised the option for a 12-month extension of the Warranty Period as set out in the Appendix, Company shall purchase the critical spare and spare parts upon usage or consumption during the extended Warranty Period and the remaining critical spare and spare parts upon the expiry of the extended Warranty Period.
- iii. *Technical Hotline* - Contractor shall provide 24 hours technical Hotline Service, which are able to provide expertise advice and resolve any technical issues immediately.

- iv. Contractor shall guarantee the spare & wears parts supply for a minimum of seven (7) years

28.2 Warranty for Spare Parts and Wear Parts

- i. *Critical Spare Parts and Spare Parts* – The storage-life shall be one (1) year upon delivery to Company's Site or six (6) months after the parts are first put into service.
- ii. *Wear Parts* – The storage-life shall be minimum six (6) months upon delivery to Company's Site or three (3) months after the parts are first put into service.

Storage – The Contractor shall have a local warehouse for storage of all necessary critical spare parts, spare parts and wear parts. As an option exercisable by Company, Company may require the Contractor to store the critical spare parts, spare parts and/or wear parts at Company's premises or such other locations as designated by Company, on a consignment basis (i.e. title and risk to the critical spare parts, spare parts and/or wear parts while on storage at Company's premises or designated locations shall remain with Contractor but the title of such critical spare parts, spare parts and/or wear parts shall immediately vest with Company upon usage or call-off by Company).

28.3 Packaging Requirement

- i. The Contractor shall have the Materials packed strongly and shall take all necessary safety measures to protect the Materials from damage and/or deterioration.
- ii. The Materials shall be packed in new and firm cases, which are suitable for long-distance air, ocean or land transportation and can resist moisture, dampness, sunshine, shock, rust, violent and frequent handling and other damages.
- iii. The Contractor shall be held responsible for any damage, rust or loss caused by improper package of or lack of protective measures for all Materials supplied by Contractor.

28.4 Taxes

- i. Contractor will comply with all applicable taxation laws and requirements in the place or places where the Work is being performed. Contractor will comply with all Statutory Requirements relating to Taxes.
- ii. Except as otherwise expressly provided in the Contract, Contractor will be solely liable for, and will pay when due and payable, all Taxes which may be imposed upon Contractor in relation to the performance of the Contract. The Contract Price is deemed to include all Taxes payable by Contractor.

28.5 Withholding Taxes

- i. If Company is required by Statutory Requirements of any country to make withholdings or deductions from payments otherwise due to Contractor, then:
 - a. Company will withhold such amounts or make such payments as are required by the applicable Statutory Requirements;
 - b. Company will provide Contractor with written advice of the requirement, amount and timing of such withholding or payment;
 - c. Company will provide Contractor with any governmental instructions or directions under which sums are withheld and copies of governmental receipts for amounts withheld or other evidence of sums withheld reasonably required by Contractor.
 - d. Contractor will have no claim against and release Company from and in respect of any sum of money lawfully withheld pursuant to this clause.
 - e. Contractor will provide such information and documents as Company reasonably requires for the purpose of this clause.
- ii. Each Party will as soon as practicable advise the other of any Statutory Requirements that may require a withholding or deduction referred to in paragraph (i).

28.6 Risk Assessment Reports

- i. As part of the contractual requirement, Contractor must comply to submit a copy of the Equipment Risk Assessment Reports within ten (10) working days upon receiving either, an official letter of award or the Purchase Order from the Company.
- ii. The Company will respond to the Contractor within ten (10) working days upon receipt of the Contractor's Risk Assessment Reports of the said Equipment. Any rectification to be made to the equipment must be corrected before Equipment arrives to the Company's Site.
- iii. Contractor shall provide an updated Risk Assessment Reports on the changes being made.

28.7 Safety lesson

Contractor must share / announce (past and present) safety lesson learnt that had happened on its tool at all its installation bases. Safety lesson includes actual accident, near miss or potential hazard. The sharing must also provide solution or at least a mitigation plan.

IN WITNESS whereof, Contractor have entered into an agreement with the Conditions of Contract, duly endorsed by authorised representatives.

For and behalf of Contractor
WONIK IPS CO., LTD.

Signature

Name : _____
Title : _____
Date : _____



APPENDIX

This Appendix of the Conditions of Contract shall supersede the terms and conditions set out in the Conditions of Contract to the extent of any inconsistency.

Type of Contract	Fixed Lump Sum, shall not subject to any escalation due to whatsoever reasons
Currency for Contract Price	USD, Fixed and shall not subject to fluctuation due to currency exchange rates
Warranty Bond (Banker's Guarantee)	10% of Contract Price
Validity of Warranty Bond	180 days after expiry of Warranty Period
Inco-terms 2011	DAP REC Singapore (exercisable as an option by Company; if Company does not exercise this option, the delivery term shall be agreed by both Parties)
Payment Terms	60 days upon receipt of Original Invoice
Payment Milestone	30% Contract value down payment of the Contract value with present of invoice and bank guarantee or insurance bond, issued by a bank or insurance company acceptable to Company, which shall be valid until delivery of the last Equipment on site to Company. 40% PO value per Equipment to be paid upon FAT approval and presentation of delivery documents satisfactory to Company. 10% PO value per Equipment to be paid upon SAT 1 approval by Company 10% PO value per Equipment to be paid upon SAT 2 approval by Company 10% PO value upon issue of Completion Certificate (after closure of all open items in the punch list) and submission of all Documents as required under the Contract (DDL - Document Deliverable List) and presentation of invoice. The Warranty Bond and its renewal (if applicable) must be accepted by Company before the release of this final payment.
Warranty Period	12 Months from Completion Certificate with an option (exercisable by Company) of 12 months extension or issuance of Maintenance Certificate whichever is the latest
Liquidated Damages	0.5% of the Contract Price per week of delay or part thereof for the first two weeks of delay, and 1% of the Contract Price per week of delay or part thereof thereafter, up to the maximum cap of 5% of the Contract Price.
Milestone Completion Date	To be determined by Company
Expiry date of Contractor's Insurance Policy	Expiry of Warranty Period and upon issuance of Maintenance Certificate, whichever is the latest



PL Insurance coverage for Contractor's liability	Minimum EURO 2,500,000 for each occurrence or such amount as decided by Company
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CANCELLATION CHARGES <i>(Contractor shall detail the progress Percentage Milestone Cancellation Charges based on Contract Price)</i>				
Verified % of Cumulative Work done (a)	Balance % of Work To Be Done (b)	% Cancellation Charges of Balance Work Done (c)	Total % Payment made by Company to Contractor at the point of Company Cancellation Notification (d)	% Total Payable on Contract Price
Eg. 30%	70%	10% of (b) = 7%	Eg. 20%	(a) + (c) - (d) =17%

PARTIAL CANCELLATION CHARGES <i>(Contractor shall detail the progress Percentage Milestone Partial Cancellation Charges based on Contract Price)</i>				
Verified % of Cumulative Work done on Cancelled/ Returned Equipment (a)	Balance % of Work To Be Done on Cancelled/ Returned Equipment (b)	% Partial Cancellation Charges of Balance of Work to Be Done on Cancelled/ Returned Equipment (c)	Total % Payment made by Company to Contractor at the point of Company Partial Cancellation Notification on Cancelled/ Returned Equipment (d)	% Total Payable on such portion of the Contract Price attributable to the Cancelled/ Returned Equipment
Eg. 30%	70%	10% of (b) = 7%	Eg. 20%	(a) + (c) - (d) =17%

For the purpose of this section, "Cumulative Work" shall include compensation or cancellation charges payable by Contractor to its sub-contractors under their respective sub-contracts with the Contractor arising from the cancellation of this Contract by Company, provided that Contractor shall furnish all necessary documents to Company for verification of these compensation or cancellation charges payable to these sub-contractors.

