

## STANDARD PURCHASE CONDITIONS

### 1. INTERPRETATION

1.1 In these Conditions the following words shall have the following meaning:

<b>Purchaser</b>	:	Sin Ghee Huat Corporation Ltd (hereinafter referred to as "SGHCL");
<b>Seller</b>	:	the person, firm or company who accepts and/or executes the Purchase Order;
<b>Specification</b>	:	the specification for the Goods provided by the Purchaser to the Seller or by the Seller to the Purchaser as shall be agreed between the parties;
<b>SGHCL Purchase Conditions</b>	:	all the conditions contained in this agreement;
<b>Contract</b>	:	the Purchase Order accepted or executed by the Seller;
<b>Goods</b>	:	any goods and/or services agreed in the Contract to be purchased by or supplied to the Purchaser from the Seller (including any part or parts of them);
<b>Purchase Order</b>	:	any document or documents containing the Purchaser's order for the supply of the Goods, of which these Conditions are incorporated by reference or otherwise.

### 2. APPLICATION OF TERMS

SGHCL Purchase Conditions are the only conditions upon which the Purchaser is prepared to contract with the Seller, they shall govern the Contract to the entire exclusion of all other terms or conditions and any variation of the Seller to these conditions shall have no effect unless expressly agreed in writing by the Purchaser.

2.1 Only a written Purchase Order shall be deemed to be an offer by the Purchaser to purchase Goods subject to these conditions. Oral purchase orders shall be valid offers only if confirmed in writing by the Purchaser. Purchase Orders shall be deemed to be accepted by the Seller expressly by giving notice of acceptance, or implied by fulfilling the Purchase Order in whole or in part. The acceptance, implied or express, of a Purchase Order shall constitute acceptance of these SGHCL Purchase Conditions and the specific conditions set out in the Purchase Order.

### 3. VARIATIONS TO THE GOODS

3.1 Subject to condition 3.2, the Purchaser may at any time by notice make changes to the quantity, design or Specification, method of packing or delivery, the place or

date of delivery of the performance of the Contract, or any other term in the Contract;

- 3.2 If any change proposed in accordance with condition 3.1 increases or decreases the cost of or time required for the performance of the Contract, the price shall be rateably adjusted and a reasonable adjustment shall be made to the time of delivery or date for performance provided that no increase in the price or extension of time for delivery or performance shall be made unless agreed in writing by the Purchaser.
- 3.3 The Seller shall promptly give to the Purchaser written notice of actual or intended material changes in its raw materials or manufacturing methods since the Purchaser last purchased or approved of like Goods. -

#### 4. QUALITY AND DEFECTS

- 4.1 The Seller warrants that the Goods shall be of the best available design, quality, material and workmanship, be without fault and conform in all respects with the Purchase Order and the Specification and be fit for the purpose as intended by the Purchaser. The Purchaser's rights under these conditions are in addition to any prevailing statutory conditions and to any warranties of additional scope given to the Purchaser by the Seller. Where the Goods to be supplied are or include services, such services shall be performed with all reasonable skill and care and in accordance with industry best practice.
- 4.2 Where applicable, the Seller shall comply with industry hygiene standards, with applicable safety regulations and quality assurance systems requested and approved by the Purchaser. In addition, the Seller shall apply all necessary measures to guarantee the full traceability of the Goods and any ingredients or parts thereof.
- 4.3 At any time prior to delivery under Condition 9, the Purchaser shall have the right to inspect and test the Goods, the Seller's plant, process and procedures. If the results of such inspection or testing cause the Purchaser to be of the opinion that the Goods, the plant and/or the process and/or procedures do not or are unlikely to conform with the Purchase Order or the Specification, the Purchaser shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition the Purchaser shall have the right to require and witness further testing and inspection.
- 4.4 Notwithstanding any such inspection, or testing, the Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations and Purchaser's rights under the Contract.

#### 5. INDEMNITY

- 5.1 For a period of 24 months from the date of delivery or from the completion of performance of the Contract, Seller shall keep the Purchaser indemnified in full against all loss, damages, injury, costs and expenses (including reasonable legal

and other professional fees and expenses) awarded against or incurred or paid by the Purchaser as a result of or in connection with such actions by the Seller, its agents or subcontractors as described below:

defective workmanship, quality or materials, including but not limited to, faulty design and latent defects; non conforming goods or services; improper performance of service under this Contract; any claim made against the Purchaser in respect of any liability, loss, damage, injury, cost or expense (together "Loss") sustained by its employees or agent or by any customer or third party to the extent that such Loss was caused by, relates to or arises from the Goods as a consequences of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Seller.

- 5.2 The replacement parts supplied by the Seller under the warranty abovementioned shall be subject to the same indemnity. No time limit shall apply to the above indemnity in relation to latent defects.

## 6. REMEDIES

- 6.1 Without prejudice to any other right or remedy which the Purchaser may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with any of the terms of this Contract, the Purchaser shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Purchaser:

- (a) to rescind the Order;
- (b) to reject the Goods (in whole or part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;
- (c) at the Purchaser's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
- (d) to refuse to accept any further deliveries of the Goods;
- (e) to carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and
- (f) to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

## 7. PATENT WARRANTY AND INDEMNITY

- 7.1 The Seller warrants that the Goods delivered or the services rendered under this Contract, and the sale and the use of the Goods in their normal or intended manner, shall not infringe, or contribute to infringing, any patent or copyright or trademark or any other intellectual property right and shall not violate the trade secret rights of another.
- 7.2 The Seller shall defend, indemnify and hold harmless the Purchaser, its successors, assigns and customers, and users of the Purchaser's products from and against all claims, suits, losses and damages, including reasonable attorney's

fees and costs and expenses awarded, based upon a claim of infringement, or contributory infringement of any patent or copyright or trademark or any other intellectual property right or violation of another's trade secret rights, by reason of the use or sale of the Goods or the rendering of the services.

## 8. INSURANCE

- 8.1 The Seller shall maintain a comprehensive liability insurance policy, including third party and contractual liability coverage (bodily injury and property damage) and product liability coverage, naming the Purchaser as an additional insured and shall upon request provide the Purchaser with a certificate of insurance. The Seller shall maintain the coverage for a minimum amount of \$2 (two) million for any one occurrence.

## 9. DELIVERY

- 9.1 Shipping and delivery arrangements shall be as defined by the latest version of INCOTERMS in the Purchase Orders. Unless otherwise stipulated in the Purchase Orders or specifically requested by the Purchaser in writing, deliveries shall only be accepted by the Purchaser during normal business hours. Unloading shall only take place under the direction and in the presence of the Purchaser, its servants and/or agents.

- 9.2 The Seller shall ensure that each delivery is accompanied by a delivery note which shows, *inter alia*, the order number, date of order, number of packages and contents thereof and, in the case of part delivery, the outstanding balance remaining to be delivered.

- 9.3 Time for delivery shall be of the essence. Without prejudice to any remedy listed in Condition 6, if the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Purchaser reserves the right to:

- (a) rescind and/ or otherwise repudiate the Contract in whole or in part;
- (b) refuse to accept and to pay for the Goods, as well as any subsequent delivery of the Goods;
- (c) recover from the Seller any expenditure reasonably incurred by the Purchaser in obtaining the Goods or similar Goods in substitution from another supplier; and
- (d) claim damages for any additional costs, loss or expenses incurred by the Purchaser which are attributable to the Sellers' failure to deliver the Goods on the due date, with a minimum claim of 3% of the value of the Purchase Order per week of delay.

- 9.4 Where the Purchaser agrees in writing to accept delivery by instalments the Contract shall construed as a single contract in respect of each instalment. Nevertheless the delay or failure by the Seller in delivering any one instalment shall entitle the Purchaser at its option to treat the whole Contract as repudiated.

- 9.5 If the Goods are delivered to the Purchaser in excess of the quantities ordered, the Purchaser shall not be bound to pay for the excess and any excess shall be and shall remain at the Seller's risk and shall be returnable at the Seller's expense.

- 9.6 The Purchaser shall not be deemed to have accepted the Goods until it has had 7 days following delivery to inspect them. In addition to any other remedy available, the Purchaser shall have the right to ask for the return and replacement of any defective Goods after inspection or within a reasonable time after it becomes aware of a latent defect.

#### T10. PRICE, TITLE AND RISK

- 10.1 If the price is omitted from the order, the price payable shall be the lowest prevailing price but never more than the Seller's last quotation (if any). Unless specifically agreed to by the Purchaser in writing, the Purchaser shall never be obliged to pay for any boxing, crating or carriage charges, or to purchase any dies, tools, molds, engravings, drawings or similar items.
- 10.2 Notwithstanding any INCOTERMS provisions,  
(a) all Goods supplied by the Seller shall become the property of SGHCL, upon payment therefore or upon delivery, whichever occurs earlier, and  
(b) the Seller shall be responsible for and shall bear any and all risk of loss or damage to the Goods until delivery thereof in accordance with clause 9.

#### 11. PACKING INSTRUCTIONS

- 11.1 The Goods shall be properly prepared, labelled, packed and tagged in accordance with instructions contained in the order, secured and protected by the Seller to ensure that they reach the destination specified in the Purchase Order in good condition and that Goods can be properly handled and identified.

#### 12. COMPLIANCE WITH LAWS & REGULATIONS

- 12.1 The Goods supplied shall comply in all respects with the relevant requirements of applicable statutes and any orders or regulations made thereunder, including the necessary permits.

#### 13. PRICE

- 13.1 The price of Goods shall be stated in the Purchase Order and unless otherwise agreed in writing by the Purchaser shall be exclusive of any taxes which are required by law to be collected and remitted by Seller, and shall be inclusive of all other charges.
- 13.2 No variation in the price or any extra charges shall be accepted by the Purchaser.
- 13.3 The Seller shall invoice the Purchaser upon, but separately from, the despatch of the Goods to the Purchaser. The invoice shall include the Purchaser's Purchase Order number.

#### 14. PAYMENT

- 14.1 The Purchaser shall pay the price of the Goods within the agreed time frame unless otherwise agreed in writing.
- 14.2 Without prejudice to any other right or remedy, the Purchaser reserves the right to set-off any amount owing at any time from the Seller to the Purchaser against any

amount payable by the Purchaser to the Seller under the Contract.

## 15. THE PURCHASER'S PROPERTY

- 15.1 Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights to all drawings, specifications and data supplied by the Purchaser to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of the Purchaser (the "Purchaser's Property"). The Purchaser's Property shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to the Purchaser and shall not be disposed of other than in accordance with the Purchaser's written instructions, nor shall such items be used otherwise than as authorised by the Purchaser in writing. Such information can only be used for the purpose of the Contract.
- 15.2 Any invention, discovery or technical process, or application made, conceived or applied by the Seller or its employees, agents, subcontractors, whether solely or jointly with others, in the performance of the Contract, shall be disclosed to and documented for SGHCL, and shall be the sole and exclusive property of SGHCL and considered as Confidential Information.

## 16. CONFIDENTIALITY

- 16.1 The Seller shall not take photographs of any of the Purchaser's equipment, installations or property without the Purchaser's prior consent in writing. The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Purchaser or its servants or agents. The Seller shall also keep in strict confidence any other confidential information concerning the Purchaser's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Seller's obligations to the Purchaser and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.
- 16.2 The Seller shall not advertise or publish the fact that the Seller has contracted to furnish the Purchaser with the Goods ordered by Purchaser from time to time, or use any trademarks or trade names of the Purchaser, or employ any other means of identifying the Purchaser, in the Seller's advertising or promotional materials, unless the Purchaser has first consented to the same in writing.

## 17. SUSPENSION

- 17.1 The Purchaser is entitled to suspend the Contract in whole or in part at any time. In the event of the exercise of such right the Purchaser shall thereafter extend the time for performance of the Contract by such period as is reasonable and it shall also pay the Seller any amounts which are due and payable to the Seller at the date of the suspension and thereafter shall reimburse the Seller for such reasonable direct costs as the Seller has had to incur in making an orderly

suspension in accordance with the Purchaser's instructions.

## 18 TERMINATION

- 18.1 The Purchaser shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and the Purchaser shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.
- 18.2 The Purchaser shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:
- (a) the Seller commits a material breach of any of the terms and conditions of the Contract which is not remedied within 14 days after notification thereof;
  - (b) any distress, execution or other process is levied upon any of the assets of the Seller;
  - (c) the Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise take the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or convenes a meeting of creditors, or enters into liquidation except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller;
  - (d) the Seller ceases or threatens to cease to carry on its business; or
  - (e) the financial position of the Seller deteriorates to such an extent that in the reasonable opinion of the Purchaser the capability of the Seller to adequately fulfil its obligations under the Contract has been placed in jeopardy.
- 18.3 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Purchaser accrued prior to termination. For the avoidance of doubt, conditions 1, 15, 16 and 22.5 shall continue to be enforceable notwithstanding termination.

## 19 ASSIGNMENT AND SUB-CONTRACTING

- 19.1 This Contract shall not be transferred, assigned, or sub-contracted by the Seller, in whole or in part, except with the prior written consent of the Purchaser. In any event the Seller shall remain jointly and/or severally liable with the assignee or sub-contractor.

## 20 FORCE MAJEURE

- 20.1 Each party reserves the right to defer the date of delivery or payment or cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or

delayed in the carrying on of its business due to a force majeure event, on condition that the force majeure event is immediately notified in writing to the other party.

- 20.2 Force majeure shall mean any cause preventing either party from performing any or all of its obligations which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented including act of God, war, riot, civil commotion, flood and storm.
- 20.3 If either party is prevented from performance of its obligations for a continuous period in excess of 60 days, the other party may terminate this agreement forthwith on service of written notice upon the party so prevented, in which case neither party shall have any liability to the other except that rights and liabilities which accrued prior to such termination shall continue to subsist.

## 21 RELATIONSHIP OF PARTIES

- 21.1 The Purchaser and the Seller are independent contracting parties and nothing in this contract, or any Purchase Order issued pursuant hereto, shall make either party the agent or legal representative of the other party for any purpose whatsoever. Furthermore, neither party shall have any authority to assume or to create any obligation on behalf of or in the name of the other party.

## 22 GENERAL

- 22.1 If any provision of the Contract is found to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.
- 22.2 Failure or delay in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver by either party of any of its rights under the Contract.
- 22.3 Any waiver by the Purchaser of any breach of, or any default under, any provision of the Contract by the Seller shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.
- 22.4 The parties to this Contract do not intend that any term of this Contract shall be enforceable by any person that is not a party to it.
- 22.5 This Contract shall be governed by Singapore law and the parties submit to the exclusive jurisdiction of the Singapore courts.