



## TERMS AND CONDITION OF PURCHASE

### 1. DEFINITIONS

- a) BUYER shall refer to PT OHTORI INDONESIA
- b) SELLER shall refer to the SUPPLIER or MANUFACTURER as stated in the reference purchase order

### 2. GENERAL

- a. Unless otherwise stated, the SELLER shall agree to be bounded by all terms and conditions herein of the referenced PURCHASE ORDER.
- b. SELLER shall observe, perform and comply with all the provisions of the BUYER requirements so far as they relate and apply to the PURCHASE ORDER or any portion of the same and are not inconsistent with the express provisions of this PURCHASE ORDER as if all the same were severally set out herein; and indemnify and save harmless the BUYER against and from :
  - I. Any breach, non-compliance or non-performance by the SELLER, his servants or agents of the said provisions of the BUYER requirements or any of them;
  - II. Any act or omission of the SELLER, his servants or agents which involves the BUYER in any liability to the BUYER under the PURCHASE ORDER; and
  - III. Any claim, loss or expense due to or resulting from any negligence or breach of duty on the part of the SELLER, his servants or agents.
- c. Without prejudice to the generality in the PURCHASE ORDER, whenever the SELLER is required by the terms of the buyer requirements to give any return, account or notice to the BUYER, the SELLER shall in relation to the PURCHASE ORDER to give a similar return, account or notice or such other information in writing to the BUYER punctually.

### 3. SCOPE OF WORKS / SUPPLY

This purchase covers the provision of works and/or supply as per the purchase order stipulated herein under article 1-C and shall be in accordance with specification and MTC requirements.

### 4. ACCEPTANCE & ORDER CONFIRMATION

Upon receipt of this PURCHASE ORDER, SELLER shall confirm the PURCHASE ORDER within one (1) working day by signing and returning the PURCHASE ORDER by fax or email and such confirmation shall be deemed as acceptance of the PURCHASE ORDER and the terms and condition as stipulated in the PURCHASE ORDER and this document.

### 5. PURCHASE PRICE

The total order value is as per stated in the PURCHASE ORDER unless otherwise revised and shall be based on the most prevailing revision. All items shall be delivered to the ship-to address and in accordance to the agreed term of sales as per the PURCHASE ORDER unless otherwise agreed in writing. The purchase price shall be firmed and not subjected to escalation.



**6. SCHEDULE OF DELIVERY/INSPECTION**

SELLER shall provide a schedule of delivery and deliver the PURCHASE ORDER, in part or full, as per the schedule of delivery by the required delivery date and in accordance to the delivery term as stated in the PURCHASE ORDER. SELLER shall ensure that the materials are inspected maximum 2 weeks after the mill notification and dispatched to the loading port maximum 2 weeks after the inspection.

**7. PAYMENT TERM**

Payment term shall be as stated in the PURCHASE ORDER. Invoices received that do not comply with the provisions of this PURCHASE ORDER shall be returned for rectification prior to making payment.

**8. INVOICING**

SELLER shall submit invoice in triplicate form to the address mentioned below:

PT Ohtori Indonesia  
De Paradise Building, Suite 501  
Jl. Raya Perancis No. 178  
Kosambi, Dadap  
Tangerang – Banten 15213

Reference PURCHASE ORDER number shall be indicated on the invoice.

**9. ASSIGNMENT AND SUBLETING**

SELLER shall not, without the consent in writing of the BUYER, be unreasonably withheld, assign, sub let or otherwise transfer all or any part of this PURCHASE ORDER to any other person or company. Any such consent shall not relieve the SELLER from his obligations under this PURCHASE ORDER. BUYER reserves the right not to grant such consent, when he is not satisfied with the credibility of the proposal. SELLER shall provide all necessary evidence to evaluate such proposals.

**10. VARIATIONS**

- a) SELLER shall make such variations of the PURCHASE ORDER, whether by way of addition, deletion, modification or omission as may be :
  - I. Ordered by the BUYER and confirm in writing of the SELLER by the BUYER;
  - II. Agreed to by the BUYER and confirmed in writing to the SELLER by the BUYER; or
  - III. Ordered in writing by the BUYER.
- b) SELLER shall not act upon an unconfirmed order for the variation of the PURCHASE ORDER. The SELLER shall only act upon such order as directed in writing by the BUYER, but the BUYER shall give his directions thereon with all reasonable speed.
- c) As aforesaid the SELLER shall not make any alteration or modification of the PURCHASE ORDER
- d) All materials substitutions made by SELLER require prior approval of BUYER.
- e) Any non-compliance to PURCHASE ORDER specification and requirements would constitute a negative change.



**11. CONFIDENTIALITY**

Unless SELLER obtains BUYER prior written consent, SELLER shall not disclose or make available to any third party or use directly or indirectly any information and data obtained from this PURCHASE ORDER. If disclosure or availability of such information and data is required for the performance of the works, and BUYER consents in writing to such disclosure, SELLER undertakes to ensure that the recipients of such information and data sign an undertaking identical to that contained in the present provisions.

SELLER shall take necessary, appropriate steps to ensure that his employees, agents, representatives and sub contractors adhere to and comply with the provision of this article.

**12. NOTIFICATION OF DELIVERY**

SELLER shall notify BUYER for inspection, as per Article 12 herein, when the equipment and/ or materials are ready for delivery.

Equipment and/or materials will be deemed ready for delivery when:

- I. Final release has been approved by BUYER and/or COMPANY
- II. Equipment and/or materials are crated/packed and marked in accordance with the PURCHASE ORDER terms.
- III. Demurrage free period required for all shipment by sea FCL

**13. EXPEDITING AND INSPECTION**

BUYER shall reserve the rights to expedite and/or to inspect this PURCHASE ORDER as it deems necessary. Access to SELLER's facilities shall be given to the representatives of BUYER at all reasonable time upon adequate notice to SELLER.

**14. DELIVERY INSTRUCTIONS**

A complete packing list shall accompany all deliveries/shipments, and shall be sealed and adequately preserve such as in a plastic bag, prior to placing it in the corresponding crating.

Delivery to consignee information shall be subjected to confirmation in writing at a later date prior to shipment.

**15. PACKING & CRATING**

SELLER shall comply with all packaging, crating and importation requirements, regulations and/or procedures, whichever and whenever applicable, as provided by the BUYER separately or as per stated in the PURCHASE ORDER.

**16. WARRANTY**

SELLER guarantees that the work shall be carried out and perform in accordance to the requirements of the PURCHASE ORDER. SELLER further guarantees that the purchased items are fit for the purpose and use for which they are intended according to the PURCHASE ORDER.

If not, BUYER will order in other SELLER with condition that SELLER must pay the different price from Other SELLER.



During the warranty period set out below, any defects and/or deficiencies in the work are observed and BUYER is so notified, SELLER shall, upon receipt of BUYER's written notice, rework the affected items and make good the affected part of the work resulting from such defects and/or deficiencies. Such rework shall be performed at a time and within the period requested by BUYER, having regard to the urgency of the case and in such manner as to cause a minimum of the interruption in the use.

Such rework shall include all necessary re-design, repair or replacement, as approved, at SELLER's sole cost, expense and risk including for investigation, re-design, search, dismantling, removal from site, transportation, replacement, re-install and re-testing.

Without prejudice to any other warranties and guarantees set forth in the PURCHASE ORDER, SELLER shall make good and indemnify BUYER against any defect and/or deficiencies in the work for a warranty period 24 month from shipping date. SELLER shall warrant all re-work, including re-work on re-work, if any, performed under his warranty obligations.

**17. LIQUIDATED DAMAGES**

Should SELLER fail to complete the works or supply in accordance with the PURCHASE ORDER by the respective date as stated in the Schedule of Delivery as per Article 5, or at such date to which it may have been adjusted, BUYER shall have the right to impose Liquidated Damages and SELLER shall be liable for such penalty under this provision.

In such case and without any prior formal notice or demand from BUYER and without any proof of loss, SELLER shall pay BUYER the sum of percentage stated below for each day of delay calculated as of the applicable delivery date up to and including the actual date of completion of the relevant portion of the work.

The imposed penalty of such Liquidated Damages shall be applied at the rate of 0.1 % (Zero point one percent) for each day of delay, up to the maximum of 10%, of the affected purchase amount or total purchase value, whichever is applicable, of the subject PURCHASE ORDER.

The payments set out shall be construed as Liquidated Damages, subject to the rights of BUYER to terminate the PURCHASE ORDER, the payment of Liquidated Damages shall not relieve SELLER from his obligations to diligently complete the work or from any other obligations and liabilities under the PURCHASE ORDER.

**18. CANCELLATION OF ORDERS**

BUYER reserves the rights to cancel the PURCHASE ORDER, without penalty, should the SELLER fails to deliver the purchases within the required or committed date as per Schedule of Delivery or PURCHASE ORDER.

In any event where the BUYER initiated a cancellation of its entirety of the order, not due to SELLER non-compliance, and should penalty or cancellation fee is imposed by the SELLER, such penalty or fee shall not be more than 5% of the total cost of goods and shall be subjected to final agreement prior to any fee or penalty charge.



**19. SOURCE INSPECTION**

SELLER shall provide full and free access and assistance to BUYER representatives at their manufacturing facilities for the review and inspection of purchases at any stages during the execution of the order.

**20. DOCUMENTATION**

SELLER shall bear all associated costs should the SELLER fails to provide or presented or otherwise within the allowable demurrage free period, the necessary and correct documents required by the BUYER and/or appointed custom clearing agent to effect clearance of the purchased goods at the destination port custom, the BUYER shall have and reserve the right to cancel the purchase order without and/or free from penalty and charges, and the SELLER shall consequently bear any costs of return, storage, demurrage, transportation, handling, tax/duty, if any and whichever applicable, and/or cost of rectification made to the shipment or purchased goods. Change of payment term upon purchase order placement shall be strictly prohibited unless otherwise agreed by the BUYER in writing.