

PART B

THIS SECTION APPLIES TO AND GOVERNS THE PURCHASE OF GOODS AND SERVICES BY THE FOLLOWING COMPANIES, VIZ:

ST ENGINEERING MARINE LTD.

TO THE EXTENT INDICATED BELOW, THIS SECTION SUPPLEMENTS AND AMENDS PART A OF THE GENERAL TERMS AND CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS AND SERVICES, AND FORMS PART OF THESE GENERAL TERMS AND CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS AND SERVICES.

1. **PACKING**

- 1.1 GOODS ARE TO BE PACKED AND DELIVERED IN SUCH FORM AND MANNER THAT THE TOTAL CHARGES, WHETHER BASED ON CUBIC MEASUREMENT OR BY WEIGHT, WILL BE AT A MINIMUM TAKING INTO CONSIDERATION THAT DELIVERY IN FIRST CLASS CONDITION IS OF PRIME IMPORTANCE TO THE BUYER. LOSS OR DAMAGE TO GOODS CAUSED BY INSUFFICIENT PACKING SHALL BE FOR THE ACCOUNT OF THE SELLER. UNLESS SPECIFICALLY STATED ON THE PURCHASE ORDER, PACKING CHARGES ARE ASSUMED TO HAVE BEEN INCLUDED IN THE CONTRACT PRICE.
- 1.2 THE PURCHASE ORDER NUMBER AND SHIPPING MARKS MUST BE CLEARLY STATED ON ALL INVOICES, BILL OF LADING OR AIR WAYBILL (AS THE CASE MAY BE), CORRESPONDENCE AND OTHER DOCUMENTATION IN CONNECTION WITH THIS PURCHASE ORDER. A COPY OF THE PACKING LIST MUST BE INCLUDED IN EACH PACKAGE DELIVERED SO THAT THE GOODS CAN BE CHECKED AND VERIFIED WHEN RECEIVED AT THE DESTINATION. THE SELLER SHALL ADVISE THE BUYER IN WRITING AND PROVIDE ALL SHIPPING DOCUMENTS AT LEAST FOURTEEN (14) DAYS BEFORE THE SHIPMENT. FAILING WHICH, ALL DEMURRAGE CHARGES WILL BE BORNE BY THE SELLER.
- 1.3 THE ITEMS NUMBER INDICATED ON THE PURCHASE ORDER MUST APPEAR ON ALL INVOICES AND PACKING LISTS. NET, TARE AND GROSS WEIGHTS OF EACH PACKAGE IN KILOGRAMS AND POUNDS MUST BE SHOWN ON ALL COPIES OF INVOICES AND PACKING LISTS. PACKAGES AND GOODS MUST BOTH STATE THE FULL DESCRIPTION OF GOODS WITHOUT ABBREVIATION. COUNTRY OF ORIGIN MUST BE SHOWN ON ALL INVOICES AND PACKING LISTS. SEPARATE INVOICES ARE REQUIRED FOR EACH SHIPMENT.

2 TERMINATION

UNLESS OTHERWISE SPECIFICALLY PROVIDED IN THIS PURCHASE ORDER, IF THE SELLER (A) IS IN BREACH OR DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THE CONTRACT; OR (B) FAILS TO FULFIL ANY PART OR OBLIGATION UNDER THE CONTRACT; OR (C) WITHOUT REASONABLE CAUSE DISCONTINUES, SUSPEND, WITHHOLD THE PROVISION OF THE GOODS AND/OR SERVICES BEFORE COMPLETION THEREOF; OR (D) FAILS TO PROCEED REGULARLY AND DILIGENTLY WITH THE PROVISION OF THE GOODS AND/OR SERVICES; OR (E) FAILS TO MEET THE SCHEDULE/COMPLETION DATE AS STIPULATED IN THE PURCHASE ORDER; OR (F) COMMITS AN ACT OF BANKRUPTCY OR BRINGS ITS ESTATE WITHIN THE OPERATION OF ANY LAW RELATING TO BANKRUPTCY OR IF IT IS DISSOLVED BY ACT OF PARLIAMENT (EXCEPT FOR THE PURPOSE OF RECONSTRUCTION OR AMALGAMATION WITH THE PRIOR WRITTEN CONSENT OF THE BUYER) OR A PETITION IS PRESENTED FOR ITS WINDING UP OR A PROVISIONAL LIQUIDATOR IS APPOINTED OR A RECEIVER AND MANAGER OF ANY OF ITS ASSETS IS APPOINTED OR IF IT MAKES AN ASSIGNMENT FOR THE BENEFIT OF OR ENTERS INTO AN ARRANGEMENT OR COMPOSITION WITH ITS CREDITORS OR IS UNDER OFFICIAL MANAGEMENT, THE BUYER SHALL HAVE THE RIGHT TO TERMINATE THE CONTRACT, EITHER IN WHOLE OR IN PART, BY GIVING THE SELLER A 5 DAYS' NOTICE IN WRITING.

3 LIQUIDATED DAMAGES

TIME OF DELIVERY OF THE GOODS AND/OR PERFORMANCE OF THE SERVICES SHALL BE OF THE ESSENCE IN THIS CONTRACT. IF THE SELLER FAILS TO DELIVER THE GOODS AND/OR SERVICES WITHIN THE DELIVERY SCHEDULE AS STIPULATED BY THE BUYER, THE BUYER SHALL BE ENTITLED TO CLAIM LIQUIDATED DAMAGES (NOT AS PENALTY) FROM THE SELLER AT THE RATE OF 1% PER WEEK OF DELAY OR PART THEREOF SUBJECT TO A MAXIMUM OF 12% OF THE TOTAL PURCHASE PRICE OF THIS PURCHASER ORDER. IN ADDITION, THE BUYER RESERVES THE RIGHT TO CANCEL THIS PURCHASE ORDER WHOLLY OR PARTLY IF THE DELAY EXCEEDS 12 WEEKS.

4 ACCEPTANCE

NO GOODS AND/OR SERVICES SHALL BE DEEMED TO BE ACCEPTED UNTIL THE BUYER HAS HAD REASONABLE TIME TO INSPECT THEM FOLLOWING DELIVERY OR PERFORMANCE OR, IF LATER, WITHIN A REASONABLE TIME AFTER ANY LATENT DEFECT IN THE GOODS AND/OR SERVICES HAS BECOME APPARENT. UNLESS OTHERWISE STATED IN THE PURCHASE ORDER, GOODS AND/OR SERVICES WILL HAVE A MINIMUM WARRANTY PERIOD OF 12 MONTHS FROM BUYER'S ACCEPTANCE OF THE SAME.

5 SELLER UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES

5.1 THE SELLER REPRESENTS AND WARRANTS THAT ALL GOODS TO BE DELIVERED UNDER THIS PURCHASE ORDER SHALL (A) BE NEW AND MANUFACTURED IN

EVERY RESPECT SUITABLE FOR THE PURPOSES INTENDED, (B) INCORPORATE THE LATEST TECHNOLOGY, AND (C) BE CONSTRUCTED WITH NEW AND UNUSED MATERIAL AND EQUIPMENT.

- 5.2 IN COMPLIANCE WITH THE OFFICIAL BANNED OF ASBESTOS UNDER THE IMO REGULATIONS, SELLER CONFIRMS AND/OR UNDERTAKES THAT ALL GOODS SUPPLIED UNDER THIS PURCHASE ORDER SHALL BE FREE AND CLEAR FROM ASBESTOS. SELLER AGREES TO INDEMNIFY BUYER FOR ALL LOSSES AND DAMAGES (INCLUDING FINES AND PENALTY) ARISING THEREFROM IN THE EVENT THAT THE SELLER SHALL BE IN BREACH OF THIS CLAUSE.

6 SERVICES

THE SELLER IN PERFORMING THE SERVICES ON ARTICLES, SHALL ENSURE THAT SUCH SERVICES WILL BE FUNCTIONALLY INTEGRATED, WITH THE BUYER'S OTHER RELEVANT EQUIPMENT, SOFTWARE, SYSTEM AND OTHER PROPERTY BELONGING TO THE BUYER, TO ENSURE ONE COMPREHENSIVE SYSTEM IN GOOD WORKING ORDER AS REQUIRED BY THE BUYER.

7 ARBITRATION

THE CONTRACT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. ANY AND ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, INCLUDING ANY QUESTION REGARDING ITS EXISTENCE, VALIDITY OR TERMINATION, SHALL BE REFERRED TO AND FINALLY RESOLVED BY ARBITRATION IN SINGAPORE IN ACCORDANCE WITH ARBITRATION RULES OF THE SINGAPORE CHAMBER OF MARITIME ARBITRATION ("SCMA") FOR THE TIME BEING IN FORCE AT THE COMMENCEMENT OF THE ARBITRATION, WHICH RULES ARE DEEMED TO BE INCORPORATED BY REFERENCE TO THIS CLAUSE PROVIDED THAT THE BUYER MAY ELECT TO PROCEED WITH MEDIATION AT THE SINGAPORE MEDIATION CENTRE IN ACCORDANCE WITH ITS PREVAILING PRESCRIBED FORM, RULES AND PROCEDURES BEFORE ARBITRATION BY GIVING WRITTEN NOTICE TO THE SELLER WITHIN THIRTY (30) DAYS WHEN THE DISPUTE FIRST ARISES OR WITHIN THIRTY (30) DAYS OF THE RECEIPT OF THE SELLER'S WRITTEN NOTICE TO MAKE SUCH AN ELECTION. THE ARBITRAL TRIBUNAL SHALL CONSIST OF ONE (1) ARBITRATOR TO BE AGREED UPON BETWEEN THE PARTIES. EITHER PARTY MAY PROPOSE TO THE OTHER THE NAME OR NAMES OF ONE OR MORE PERSONS, ONE OF WHOM WOULD SERVE AS THE ARBITRATOR. IF NO AGREEMENT IS REACHED WITHIN THIRTY (30) DAYS AFTER RECEIPT BY ONE PARTY OF SUCH A PROPOSAL FROM THE OTHER, THE ARBITRATOR SHALL BE APPOINTED BY THE CHAIRMAN OF THE SCMA. JUDGMENT ON AN ARBITRAL AWARD MAY BE ENTERED AND ENFORCED IN ANY COURT OF COMPETENT JURISDICTION. THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH. THE APPLICATION OF THE SALE OF GOODS (UNITED NATIONS CONVENTION) ACT TO THIS CONTRACT IS HEREBY EXPRESSLY EXCLUDED.