

## **Conditions of Purchase**

### **1. INTERPRETATION**

In these Conditions:-

“Seller” means the person who offers a quotation of the Goods or who accepts the Buyers purchase order for the Goods

“Purchase Order” means any written order by the buyer for the purchase of the Goods which shall be subject to these conditions.

“Goods: means the goods described in the purchase order (Including any installment of the Goods or any parts of them) which the Seller is to sell to the Buyer in accordance with these conditions.

“Buyer” means Megachem Limited or its subsidiaries or affiliates.

“Contract” means the contract for the purchase and sale of the Goods.

“Condition” means the terms and conditions of purchase set out in this document.

All references to the singular shall include the plural and vice versa.

### **2. BASIS OF PURCHASE**

These conditions express the complete and final understanding of the buyer and seller with the respect to the Goods and there are no terms of specifications other than these conditions. No prior course of dealing or usage of trade not expressly set forth or referred to herein shall modify or contradict these conditions in any way. These Conditions supercede and exclude all prior terms and conditions, correspondence, tenders, quotations, verbal exchanges or acknowledgements. No variations to these Conditions shall be binding on the parties unless agreed to in writing by both parties.

### **3. ORDERS AND SPECIFICATIONS**

- The Seller shall sell and the Buyer shall purchase the Goods in accordance with any purchase order of the Buyer which is accepted by the Seller and the Contract therefore shall be governed by these Conditions
- The Quantity, quality, price and description of and any specification for the Goods shall be those set out in the Buyer’s purchase order. It is hereby expressly agreed between the Buyer and Seller where the type, nature and quality of the Goods comprised one Contract are identical to the type, nature and quality of the Goods comprised in subsequent contract(s), the applicable description and/or specification of such Goods as set out in the prior purchase order shall apply to the subsequent purchase order (and Contracts) for those same Goods unless and until the description and/or specification are modified or changed by the Buyer.
- No purchase order accepted by the Seller shall be modified or cancelled without the prior written consent of the buyer.

- All Goods sold must conform to the specifications set out in the Buyer's purchase order and Seller shall not modify the same unless with the prior written consent of the Buyer.
- In the event of a dispute as to whether the Goods supplied pursuant to a Contract are at variance with the specifications, the Buyer's decision shall be final.
- The Buyer may, any time prior to delivery, cancels its purchase orders by giving written notice to the Seller and the Buyer shall not be liable in any manner to the Seller by reason of the cancellation.

#### **4. PRICE OF GOODS**

- The price of the Goods shall be as set out in the relevant purchase order and all prices quoted shall not be increased or modified without the prior written consent of the Buyer.
- If prior to the delivery, the Seller notifies the Buyer that the prices of the Goods will be increased or modified, the Buyer is at liberty to:-
  - a) cancel the Contract(s) for the goods without incurring any liability whatsoever to the Seller;or
  - b) make changes to the delivery dates, quantities or specifications for the Goods;or
  - c) accept the increase of modification in price and amend the relevant purchase order(s) accordingly

#### **5. TERM OF PAYMENT**

- The Seller shall invoice the Buyer for the Goods on or after delivery.
- The Buyer shall pay for the price of the Goods within the time specified in the relevant purchase order subject to prior delivery of the Goods. The Seller shall promptly issue receipts for all the payments.
- All invoices issued by the Seller must quote the purchase order reference and set out the terms of payment as they appear on the Buyer's purchase order. The Buyer shall not entertain or make payment of any invoice received after six months from date of the Buyer's purchase order, if Seller's invoice related to several purchase order, the six months period shall commence from the date of the latest purchase order referred to in the Seller's invoice.

#### **6. DELIVERY**

- Delivery of the Goods shall be made by the Seller, delivering the Goods to the place designated by the Buyer.
- Time for delivery of the Goods shall be of the essence. If delivery is delayed for a period beyond that stipulated in the Buyer's purchase order, the Buyer may (but shall

not be obliged to) cancel that Contract by written notice to the Seller and refuse to accept delivery of the goods or any part thereof and the Buyer shall not be liable in any manner to the Seller but the Seller shall be liable to the Buyer for any loss or expense, damages, loss of profits or consequential loss thereby suffered by the Buyer.

- Where the Goods constituting a Contract are to be delivered installments, each delivery shall not constitute a separate contract and failure by the Seller to deliver anyone or more of the installment shall entitle the Buyer to treat that Contract as a whole as repudiated.

## **7. INSPECTION**

- All Goods delivered to the Buyer shall be subject to the Buyer's inspection and testing. The Buyer shall not be deemed to have accepted the state and condition of the Goods until the Buyer has inspected them and accepted them in writing. Inspection by a third party shall not be deemed to be the Buyer's acceptance of the state and condition of the Goods unless the Buyer expressly agrees to the same in writing.
- Upon inspection by the Buyer, any Goods found to be defective or damaged or not in working or satisfactory condition or falling to conform to the Buyer's specifications may be rejected by the Buyer notwithstanding that the seller has accepted the Buyer's purchase order for the same or that the Buyer has paid for the Goods whether in whole or in part.
- Goods rejected by the Buyer shall be returned to the Seller at the full expense of the Seller and the Buyer may at its option, require the Seller to replace the rejected Goods (or the part in question) free of charge or refund to the Buyer the price of the rejected Goods, or the Buyer may sell the rejected Goods and the Seller shall bear the difference between the market price and the contract price of the rejected Goods, as well as changes for freight, insurance and taxes incurred by the Buyer in such resale.

## **8. IMPORT TERMS**

- Where Goods are purchased from Sellers outside Singapore, the international rules for the interpretation of trade terms of the International Chamber of Commerce ("incoterms") in force at the date the Contract is made shall apply.
- The delivery terms for each Contract shall be set out in the Buyer's purchase order.
- The Seller shall be responsible for complying with any legislation or regulation governing the importation of the Goods. The Seller shall at its expense, furnish all certificates of analysis, import and/or other license and documents or other

certificates required for the purpose of delivering the Goods to and entering the same into the country of destination.

- Where shipment is delayed for any reason whatsoever, the Seller shall be solely liable for all demurrage charges or damages for detention and shall be responsible to obtain all shipping or other documents necessitated thereby.
- The Seller shall advise the Buyers as soon as the Goods are ready for shipment but in no event less than seven (7) days prior to shipment. The Seller shall furnish the Buyer with complete and adequate information as to shipment so as to allow the Buyer sufficient time to effect insurance and/or make preparation for transshipment.

#### **9. PACKING**

- The Seller shall, at its expense, pack the Goods in a safe manner, suitable for long distance transportation and shall bear all costs and expenses for or incidental or related to packing. If the Goods are volatile, hazardous, corrosive or dangerous nature, the Seller shall take such special steps and caution as are necessary in the circumstances to ensure that the Goods will not cause any harm or injury to property or persons, whether during transportation or otherwise and if any loss or damages is caused thereby the Seller shall be responsible therefore.
- Each shipment of the Goods shall be properly packed and marked as stipulated by the Buyer.

#### **10. Warranty**

- The Seller warrants that the Goods will correspond to their specification at the time of the receipt by the buyer and will be free from defects whether latent or apparent.
- The Goods are sold subject to the conditions implied by the Sales of Goods Act 1979, as well as all warranties, conditions or other terms implied by statute or common law.

#### **11. INTEREST**

In the event the Seller fails to meet its obligations under a Contract the Buyer is entitled to complete the same by purchasing the Goods from any other party and in the event the purchase price exceeds the Contract price, the Seller shall reimburse the Buyer for the difference and all related cost and expense promptly upon demand.

#### **12. FORCE MAJEURE**

In the event the Buyer is prevented from performing its obligation under the Contract by reason of strikes, fires, riot, war, accidents, acts of god, embargoes, shortage of transportation facilities and any other cause of contingency which prevent, restricts or interferes with the transportation and/or receipt of any of the Goods and which is beyond

the control of the Buyer, the Buyer shall be excused from accepting deliveries to the extent of such prevention, restriction or interference. Should any government or authority, after the date of the Contract, impose any control or restriction or impose or increase any new duty or levy, the Buyer shall be under no obligation to accept any further delivery for a period of 30 days thereafter and may within that period by written notice to the Seller cancel the Contract in so far as it remains unperformed without being liable to the Seller.

### **13. INDEMNITY**

If any claim is made against the buyer that the Goods infringes or that their use or resale infringes the patent, copyright, design, trade mark or other industrial or intellectual property right for any reason, the Seller shall indemnify the Buyer against all losses, damages costs and expense incurred by the Buyer.

### **14. WAIVER**

No claim of right arising out of a breach of any Contract can be discharged, in whole or in part by a waiver or renunciation of the claim or right unless such waiver or renunciation is supported by consideration and is in writing signed by the Buyer.

### **15. ACCEPTANCE OF CONTRACT**

No claim of right arising out of a breach of any Contract can be discharged, in whole or in part by a waiver or renunciation of the claim or right unless such waiver or renunciation is supported by consideration and is in writing signed by the Buyer.

### **16. INSOLVENCY OF SELLER**

If the Seller becomes insolvent or has a petition for winding up or judicial management presented against it or goes into voluntary liquidation or, if an individual, commits an act of bankruptcy or has a receiving or adjudication order made against him or makes an arrangement with its creditors or suffers any distress or execution over its property, the Buyer shall, without prejudice to any other remedy available to it, be entitled to cancel any future contract without any liability to the Seller.

### **17. NOTICES**

Any notices required to be given by either party to the other under these Conditions shall be in writing address to the other party at the registered office or principal place of business and may be given personally or by ordinary mail, or by facsimile or telex or cable but subject to confirmation by ordinary mail.

### **18. GOVERNING LAW**

These Condition and the Contracts made there under shall be governed by and construed in accordance with the laws of Singapore and the Buyer and Seller thereby submit to the non-exclusive jurisdiction of the Courts of Singapore.