

General Purchasing Terms and Conditions (23rd June 2023)



- This General Purchasing Terms & Conditions shall become the exclusive & binding agreement between SGB MY Sdn Bhd to any vendor, supplier, contractor & service provider governed by Purchase Order issued by SGB MY Sdn Bhd to them.
- Scope covers the purchase of material, products or services herein as officially stipulated in the respective Purchase Order

ARTICLE 1: PURCHASE ORDER

- 1,1 A formal written procurement agreement between supplier and buyer governing the purchase of goods or services.
- 1,2 Quotation offered and mutually agreed by both parties is then legally bound by the issuance of Purchase Order
- 1,3 By accepting the purchase order, the supplier has accepted the general purchasing terms and condition.

ARTICLE 2: PRICE

- 2,1 The price in the purchase order is firm. Price includes all expenses connected with the supply of goods and services.
- 2,2 Unless otherwise specially designated by SGB MY Sdn Bhd, price offer to comply with agreed incoterm such as CIF, CFR, FOB & etc

ARTICLE 3: DELIVERY DATE

- 3,1 Any agreed delivery dates for goods or services are binding. If any delays are anticipated, the supplier shall promptly notify SGB MY Sdn Bhd during order acceptance period
- 3,2 Failure to notify delay in meeting the agreed delivery dates, supplier to bear all the mitigation cost as an alternative solutions to meet initial dateline.

ARTICLE 4: DELIVERY TERM

- 4,1 Reference to International Chamber of Commerce Incoterms 2010.
- 4,2 Shipping instruction: Supplier is responsible to ship/deliver only the quantities specified in the purchase order. Shipment of goods to arrive according to the delivery date specified in the purchase order. PO number shall be stated in the delivery order, packing list and invoice.

ARTICLE 5: PACKING AND LABELING

- 5,1 Packaging of all goods must be in accordance with good commercial practice & in a manner acceptable to common carriers for shipment & adequate to ensure safe arrival of the goods to their destination.
- 5,2 The packaging must be labeled with the purchase order number, the date of shipment, and the names of any consignee and consignor. Supplier must include an itemized packaging list with each shipment. Supplier must mark each package with any required handling and shipping information.
- 5,3 Supplier shall be liable for damages resulting from incomplete or improper packing. In lack of any divergent agreement, the packing materials shall be disposed of at the expense and at the risk of supplier

ARTICLE 6: CANCELLATION AND RESCHEDULING

- 6,1 Cancellation. Time is of the essence under every purchase order. SGB MY may cancel the purchase order in whole or in part if supplier do not deliver the goods or perform the services in full conformance.
- 6,2 Rescheduling. SGB MY Sdn Bhd may reschedule the delivery of goods or performance of services at any time without liability.

- 6,3 SGB MY has the right to reject an early delivery made by Supplier OR accept the advance shipment with certain cost to be charged to supplier at SGB MY's discretion.

ARTICLE 7: WARRANTIES

- 7,1 Warranties Regarding Goods. In addition to any warranties that may be implied under the Malaysian Sale of Goods Act, 1957, supplier shall provide the following warranties regarding all goods supplied:
 - (a) The goods are new and do not contain any used or refurbished parts.
 - (b) The goods shall function properly, are of good workmanship, free from defect, & fit for intended use
 - (c) The goods shall fully comply with specifications, or samples provided.
 - (d) Met the respectively valid legal- and technical safety requirements and the relevant Regulations for the Prevention of Accidents.
- 7,2 Warranties Regarding Services. Supplier shall provide the following warranties regarding all services provided:
 - (a) Perform the services with reasonable skill and care in a professional manner and in full conformance with specifications provided.
- 7,3 Warranty Remedies. If any goods or services do not meet the specification or warranties SGB MY may at its own option,
 - (a) Require supplier to repair or replace the goods until the goods meet the warranties,
 - (b) Require supplier to re-perform any services until the services meet the warranties,
 - (c) Return any of the goods and request for full refund,
 - (d) Correct the non-conformance and charge the supplier for the cost of repair,
 - (e) Charge the supplier for the costs of obtaining the substitute goods or services from the third party.

ARTICLE 8: CONFIDENTIALITY

- 8,1 Information. Any information provided to the supplier ought to be treated as confidential.
- 8,2 Nondisclosure. Supplier must not disclose any of the confidential information to any third party.
- 8,3 Supplemented individual NDA for each supplier

ARTICLE 9: COMPLIANCE REGULATIONS

- 9,1 Adherence to SGB SMIT Group's Supplier Code Of Conduct Supplier undertakes to act in its own business operations in accordance with SGB SMIT Group's Supplier Code of Conduct (<https://www.sgb-smit.com/sgb-smit-group/procurement/>), which is made part of this Agreement. The Contractor shall herefore establish a sufficient risk management system, including preventive actions, to control and stop respectively mitigate risks of being non-compliant with the principles

9,1 set out in the Supplier Code of Conduct.

(cont'd) Supplier shall oblige its subcontractors to comply with the Supplier Code Of Conduct and shall provide a copy of the Supplier Code of Conduct to its subcontractors latest upon conclusion of the respective subcontract. Contractor shall ensure that its subcontractors address and pass on the expectations from the Supplier Code Of Conduct along the Supply Chain.

Supplier shall be authorized to comply with the obligations from this subsection on the basis of its own code of conduct provided that the protected rights set out therein correspond to those of the Supplier Code of Conduct made part of this Agreement. Further on Supplier shall establish regular trainings for its employees, that contain the principles of the Supplier Code Of Conduct, especially the therein included points to human and environmental rights.

9,2 Access to SGB SMIT Group's whistleblowing channel

Supplier shall ensure unhindered access by its employees to the whistleblowing channel (weblink) set up by us. In particular, Supplier shall not undertake any actions that hinder, block or impede access to this channel. The supplier undertakes to pass on the obligations specified in sentences one and two of this subsection to its subcontractors and to ensure that the obligations are passed on along the supply chain.

9,3 Request for documents and audit rights

Supplier is obliged to obtain and provide us all information and documents required by us to comply with all regulatory requirements arising from this Agreement. Regulatory requirements in the former sense includes in particular, but is not limited to the regulations of the Malaysia supply chain due diligence act or similar legislation.

Supplier recognises that the principles of the Supplier Code of Conduct are mandatory part of our supplier audits and supplier evaluation and therefore grants necessary access rights to its premises and offices within normal business hours for any such Supplier audit or ensures participation in relevant inquiries by us (e.g. by means of self-assessments)

9,4 Right to termination or suspension

In the event of breaches by Contractor of the obligations set out in the Supplier Code of Conduct, we shall be entitled to suspend performance of the contract or, at its discretion, decide to resign from or terminate the Agreement, if the breach is not remedied within a reasonable deadline set by us. In cases of serious, persistent or repeated breaches, the deadline need not be set.

9,5 Indemnification

Unless it proves that it is not responsible for the breach: In the event of breaches by Contractor of the Supplier Code of Conduct, Supplier shall be obliged to pay damages resulting from such breach.

Further on Contractor is obligated to indemnify us against claims by third parties arising from a breach of the Supplier Code Of Conduct

ARTICLE 10: INTELLECTUAL PROPERTY & PROPRIETARY RIGHTS

10,1 SGB MY shall, exclusively and without additional costs, be entitled to all rights of usufruct in connection with the Performances/Services of the Contractor, which are subject matter of the Contract, particularly with regard to inventions and improvements. The same shall apply for utilization rights. Any perhaps relevant patents and licensing rights shall be transferred to us free of charge upon request.

10,2 Supplier shall be accountable, that no rights of third parties are violated in connection with his delivery. If we are approached by third parties for such reason, then the Contractor shall be obliged to exempt / indemnify us from these claims. The exemption shall be issued upon first request. SGB MY shall not be authorized to conclude any agreements (particularly settlements / arrangements) with the third party without the consent of the supplier. This exemption - obligation also refers to all charges and expenditures which we necessarily incur, caused by or in connection with the claims of a third party. The limitation period for these claims shall be ten years, and it shall commence with the conclusion of the respective Contracts.

ARTICLE 11: OTHER LIABILITY OF SUPPLIER (FOR ALL TYPES OF CONTRACTS)

11,1 The Supplier shall be liable as specified in the authoritative statutory regulations, provided that no other agreement has been concluded in the individual case.

ARTICLE 12: LIABILITY OF THE CLIENT / CUSTOMER

12,1 SGB MY shall be liable in accordance with the statutory regulations, in as far as we or our vicarious agents or legal representative infringe / contravene our duties deliberately or by gross negligence; the statutory regulations shall also become effective, if we culpably infringe / contravene an essential contractual duty (cardinal duty); provided that we are not accused of firm intention, our remaining liability shall be limited to the foreseeable damage normally covered by Contract. SGB MY shall be liable also according to statutory regulations, if we are charged with a liability concerning the injury of life, body or health. The same shall apply for the assumption of a guarantee and for the assurance of a quality, if a defect pertaining to such should initiate our liability.

12,2 The preceding provisions shall also apply accordingly in cases pertaining to the reimbursement of expenses. A reversal of the burden of proof is not intended.

ARTICLE 13: PROVISION OF MATERIALS AND COMPONENTS

13,1 In as far as SGB MY provide the supplier with parts, SGB MY reserve the property rights thereto. Provided materials and components shall remain SGB MY property, they shall be stored separately and shall be particularly

- 13,1 indicated / marked as SGB MY property. The use of such (cont'd) shall be permitted only for SGB MY orders. Compensation shall be paid in case of a decrease in value or of loss.
- 13,2 The reservation of title shall be extended to also include, in full value, the products resulting from the processing or the restructuring of our goods, whereas these procedures are carried out for us, so that we are regarded as manufacturers. If, in the course of processing or restructuring of goods of third parties the right of ownership of such third parties should remain with those third parties, then SGB MY shall acquire co-ownership in proportion according to the impartial values of these goods. SGB MY shall also acquire co-ownership in the relationship as just described in case of intermixing or compounding with others. If the process is carried out in such manner, so that the object of the Supplier is considered as the principal object, then it shall be agreed, that the Supplier shall assign to SGB MY a proportionate share of co-ownership. Supplier shall keep SGB MY property in safe, applying care customary in the trade.
- 13,3 In as far as the estimated value of SGB MY rights to protection from risks exceeds the value of the protected receivables by more than 50%, the exceeding rights to protection from risks shall become free. The selection of which shall be incumbent upon SGB MY decision. This release regulation shall only apply if the Supplier is entitled to conveyance.

ARTICLE 14: RESERVATION OF TITLE OF THE SUPPLIER

- 14,1 In as far as nothing else has been agreed in the individual case, the deliveries of the Supplier shall be carried out without reservation of title. Rights of third parties to objects which are to be delivered by the Supplier shall be disclosed to SGB MY without having been asked to do so.

ARTICLE 15: SEVERABILITY CLAUSE

- 15,1 Amendments of the Contract shall only become effective in agreement with SGB MY.
- 15,2 If individual provisions of these Terms and Conditions should be completely or partly ineffective or void, then the remaining provisions shall remain unaffected thereof. The contracting parties shall be obliged to agree to an arrangement by which the intended purpose of the ineffective or void provision is fundamentally achieved with regard to the economic aspect.
- 15,3 SGB MY attend and process all data of the Supplier exclusively for purposes arising in the course of business affairs, and in accordance with the respectively valid data protection regulations.

SUPPLEMENTARY PROVISIONS FOR THE EMPLOYMENT OF SUBCONTRACTORS AND STAFF OF THE CONTRACTOR

These supplementary provisions shall be applicable for the performance of work or services by the Contractor (by means of own or external staff), which are not to be classified as Performances Or Services concerned by or subject to Industrial / Labor Legislation.

ARTICLE 16: STAFF OF THE CONTRACTOR

- 16,1 The Contractor shall warrant, that he only employs skilled and proficient staff, that the number of staff members employed is sufficient for the attainment of the contractual purpose, that sufficient local/native-speaking contact persons are at the site.
- 16,2 The Contractor shall exempt SGB MY from all claims of third parties, which are to be attributed to the deployment of his staff

ARTICLE 17: SUBCONTRACTORS OF THE CONTRACTOR

- 17,1 The Supplier may employ subcontractors after our previous consent.
- 17,2 He shall ensure, that he employs only skilled and proficient subcontractors, that these subcontractors are subjected to the same contractual requirements and specifications as he is in relation to SGB MY
- 17,3 The Contractor shall be liable in full extent for these subcontractors, also if we have given our consent to their employment. Subcontractors are vicarious agents of the Contractor.
- 17,4 The Contractor shall exempt SGB MY from all claims of third parties, which are to be attributed to the employment of subcontractors.

ARTICLE 18: WORK REGULATIONS, DUTIES UNDER PUBLIC LAW

- 18,1 The Contractor and his staff, or his subcontractors, shall observe the Work Regulations (Safety Regulations, etc.) in force and effect at SGB MY premises. SGB MY will gladly provide these regulations at any time upon enquiry.