

# General terms and conditions of Purchase Orders

Unless specifically stated otherwise, the following clauses shall form the terms and the conditions of the Purchase Order ("PO").

## 1. DEFINITIONS

- (a) **"Agreement"** means these General Terms and Conditions of PO.
- (b) **"Associated Person"** means a person associated with the SUPPLIER including, but not limited to any of its employees, agents, Suppliers, sub-Suppliers, consultants, representatives and agents of the SUPPLIER.
- (c) **"BUYER"** means the entity operating and managing vessels as agent for and on behalf of vessel owners and whose name and particulars are more particularly stated at the end of the Particular Terms and Conditions and shall include its successors-in-title and permitted assigns.
- (d) **"Data Controller"** means a person who, either alone or jointly with others, determines the purposes or means of processing personal data and has control over or authorizes the processing of any personal data but does not include Data Processor.
- (e) **"Data Protection Legislation"** means all applicable data protection legislation globally, including but not limited to the Malaysian Personal Data Protection Act 2010, the Singapore Personal Data Protection Act 2012 and the UK Data Protection Act 1998 (together with the General Data Protection Regulation (EU 2016/2017)) or any successor legislation.
- (f) **"INCOTERMS"** means the Incoterms applicable on the date of the PO (latest edition), issued by the International Chamber of Commerce, Paris, France and any amendments made thereto;
- (g) **"Products"** means the materials, goods and any associated services supplied by the SUPPLIER in accordance with this PO.
- (h) **"Personal Data"** means data relating to individuals who can be identified from the data, or from the data and other information which is in the possession of, or is likely to come into the possession of, the Data Controller, and includes any expression of opinion about the individual and any indication of the intentions of the Data Controller or any other person in respect of the individual.
- (i) **"PO"** means the purchase order and these general terms and conditions and any other document listed herein and which shall constitute the entire agreement between the parties.
- (j) **"Services"** means the services to be provided by the SUPPLIER in accordance with this PO.
- (k) **"SUPPLIER"** means any person having a contract for the supply of Products and/or Services to the BUYER.

## 2. DELIVERY TIME

### Products

- 2.1. Time is of the essence for the PO. The time stipulated for delivery of Products shall be strictly adhered to in accordance with the agreed INCOTERMS. Without prejudice to the SUPPLIER's obligation to deliver the Products on time, the SUPPLIER shall give the BUYER notice in writing immediately if any delay is foreseen. Failure to deliver on the date specified or subsequently agreed shall entitle the BUYER (without prejudice to any other rights it may have):
  - (a) to cancel order without any penalty to the BUYER; and/or
  - (b) refuse to accept any subsequent delivery of the Products which the SUPPLIER attempts to make; and/or
  - (c) recover from the SUPPLIER any expenditure reasonably incurred by the BUYER in obtaining the Products in substitution from another Supplier; and/or
  - (d) claim damages for any additional costs incurred by the BUYER which are in any way attributable to the SUPPLIER's failure to deliver the Products on the due date; and/or
  - (e) to impose liquidated damages (which SUPPLIER and the BUYER hereby agree shall not be considered as penalty) which is calculated at 0.1% of the PO price per day for each day of delay (pro-rated) up to 10% of the PO price. In the event the delay continues, and the SUPPLIER is unable to deliver the Products and accumulates the maximum amount of liquidated damages payable by the SUPPLIER to the BUYER, the BUYER shall have the immediate right to terminate this PO.

### Services

- 2.2. The SUPPLIER shall ensure that the Services are performed in compliance with the completion date as stated in the PO and/or as stated by the BUYER. Failure by the SUPPLIER to perform in complying with the completion date shall entitle the BUYER (without prejudice to any other rights it may have):
  - (a) to cancel order without any penalty to the BUYER; and/or
  - (b) recover from the SUPPLIER any expenditure reasonably incurred by the BUYER in obtaining the Services from another Supplier; and/or
  - (c) claim damages for any additional costs incurred by the BUYER which are in any way attributable to the SUPPLIER's failure to perform the Services in compliance with the completion date; and/or
  - (d) to impose liquidated damages (which SUPPLIER and the BUYER hereby agree shall not be considered as penalty) which is calculated at 0.1% of the PO price per day for each day of delay (pro-rated) up to 10% of the PO price. In the event the delay continues and the SUPPLIER is unable to complete the Services and accumulates the maximum amount of liquidated damages payable by the SUPPLIER to the BUYER, the BUYER shall have the immediate right to terminate this PO.

## 3. INSPECTION

- 3.1. The SUPPLIER shall be responsible for ensuring that all inspections and testing of the Products and/or Services are properly and adequately performed.



- 3.2. The SUPPLIER shall ensure that BUYER or any third party appointed by them, has the opportunity to inspect and witness any testing of the Products and/or Services at any time at the SUPPLIER's workplace or at any places where such Products may be and/or Services are performed.
- 3.3. Such inspection or testing including the witnessing thereof shall not relieve the SUPPLIER from any of its responsibilities and liabilities under the PO.
- 3.4. The PRODUCTS will be subject to final inspection and acceptance or rejection upon arrival at their destination as specified in the PO.

## **4. PAYMENT**

- 4.1. The SUPPLIER shall issue all invoices on a timely basis and, in any event, within ninety (90) days after delivery of the Products and/or completion of the Services. Payment will only be made in relation to invoices which are received by the BUYER within the said ninety (90) days.
- 4.2. In no event shall the BUYER be liable to the SUPPLIER for late payment interest or any other late payment charge.
- 4.3. THE SUPPLIER shall, where applicable, issue one (1) invoice for one (1) vessel. Invoices must be addressed to the vessel and the correct BUYER entity, "c/o Eaglestar Shipmanagement XY".
- 4.4. Payment will be effected within forty-five (45) days after receipt of an undisputed invoice (together with supporting documents) by the BUYER provided always that the BUYER has accepted the Products and/or Services, or as otherwise agreed and stipulated in the PO.
- 4.5. The BUYER shall be entitled to set-off, deduct and/or withhold any payments due under the PO when the SUPPLIER has failed to perform or complete the Products and/or Services to the BUYER's satisfaction. Any payment set-off, deducted and/or withheld shall be without prejudice to any other rights or remedies available to the BUYER.

## **5. CHANGE**

- 5.1. The BUYER reserves the right at any time to make changes in the PO or any part thereof.
- 5.2. No change to or modification of the items, specifications, terms, conditions and prices appearing in the PO shall be binding upon the BUYER unless expressly agreed in writing by the BUYER. SUPPLIER shall promptly notify BUYER in the event that any Products are affected by changes in drawings, specifications or design, but the SUPPLIER shall not without prior written consent of the BUYER incorporate any such changes in the order.

## **6. TITLE AND RISK**

- 6.1. Property and risk in the Products shall remain with the SUPPLIER until they are delivered at the point specified in the PO and a delivery order is signed.
- 6.2. The passing of property shall not affect the right to reject the Products.
- 6.3. In the case of Products delivered by the SUPPLIER not conforming with the PO whether by reason of not being of the quality or in the quantity or measurement stipulated or being unfit for the purpose for which they are required, the Buyer shall have the right to reject such Products within a reasonable time of their delivery and inspection and to purchase elsewhere and to claim for any additional expenses consequent thereto.

## **7. TERMINATION**

- 7.1. Without prejudice to the rights and remedies available under the PO, the BUYER shall have the right to terminate the PO at any time for any reason by giving fourteen (14) calendar days prior written notice to the SUPPLIER.
- 7.2. Without prejudice to the right of termination described under Clause 7.1 above, the BUYER may if it is of the reasonable opinion that any default by the SUPPLIER is capable of being remedied, give written notice stating the details of such default and require the SUPPLIER to remedy the default within seven (7) days, failing which BUYER shall have the right to issue a notice of discontinuance of part or whole of the Products and/or Services and/ or terminate the PO at the sole discretion of the BUYER.
- 7.3. The BUYER shall be entitled to terminate the PO immediately pursuant to Clause 2.1(e) or Clause 2.2(d), as the case may be. 7.3 Either party hereto (the "Notifying Party") shall have the right at all times by giving notice in writing to the other to terminate the PO immediately if the other party has committed fundamental and/or material breach of its obligations under the PO and/or has ceased to trade, become insolvent or is subject to any bankruptcy or liquidation proceedings, receivership, administration or any other procedure arising out of the failure to pay debts as they become due or ownership of the SUPPLIER has been materially altered.
- 7.4. Upon termination of the PO, the BUYER shall only be liable to pay such portion of the PO price for the Products and/or Services accepted by the BUYER prior to the termination of the PO without prejudice to its right to set-off or retain any payment as stipulated in the PO.

## **8. LIABILITY AND INDEMNITY**

- 8.1. The SUPPLIER shall indemnify and hold harmless the BUYER from and against any and all claims, liability, damage, loss or expense (including attorney fees) of the SUPPLIER and third parties in respect of injury, sickness, diseases or death of persons, and/or loss of

or damage to property both real and personal, of the SUPPLIER and third parties save where such claim, liability, damage or loss is solely caused by the gross negligence or wilful misconduct of the BUYER.

- 8.2. The SUPPLIER shall indemnify and hold harmless the BUYER from and against all claims brought against the BUYER by a third party alleging that the Products and/or Services performed by the SUPPLIER infringes the Intellectual Property Right, any patent copyright or trademark, foreign or domestic resultant from the use or resale of Products of the third party.
- 8.3. The SUPPLIER shall protect, indemnify and hold harmless the BUYER and its personnel, against any and all liability, loss or expense by reason of any claim, action or litigation in respect of any patent copyright or trademark, foreign or domestic, resultant from the use or resale of Products.
- 8.4. The BUYER shall not be liable for any indirect, remote or consequential losses (including but not limited to loss of earnings or loss of anticipated profits) and/or claims arising out of or in connection with the termination of the PO and/or payment of compensation for the unexpired term of the PO.
- 8.5. The SUPPLIER's obligations arising under Clause 5 herein shall survive termination of the PO.

## 9. LICENCE AND PERMIT

- 9.1. In the performance of the PO, the SUPPLIER shall obtain and maintain, all necessary permits, licenses and authorisations in the country or countries where any part of the PO is being performed including all necessary immigration and/or work permits for personnel engaged in the performance of the PO at its own costs;.
- 9.2. The SUPPLIER shall abide by and comply with all applicable laws, rules and regulations of any governmental or regulatory body having jurisdiction over the PO.

## 10. WARRANTY

- 10.1. The SUPPLIER warrants to the BUYER and its clients that the Products shall comply in every respect with any specifications, drawings and other data forming part of the PO and shall be of merchantable quality, free of defective materials or workmanship, shall have a clear title, free from all liens, taxes, encumbrances and is complete without any omissions and fit for purpose. The SUPPLIER shall be fully responsible for making good immediately upon being notified by the BUYER any omission and defects in the Products or any portion thereof which may appear or occur during the warranty period (including repair and/or replacement), which shall not in any case be less than twelve (12) months from the date of completion of offshore commissioning or eighteen (18) months from the date of shipment, whichever occurs first. For repaired and/or replaced Products, the SUPPLIER shall provide additional warranty to BUYER. If the SUPPLIER fails to rectify the defects, the BUYER may rectify the defects and all costs and expenses incurred shall be borne by the SUPPLIER.
- 10.2. The SUPPLIER warrants and guarantees to the BUYER that the Services is of good quality, fit for purpose for which it is generally intended and/or for which the BUYER has informed the SUPPLIER or the SUPPLIER has represented it is intended, shall be completed without any omission; in accordance with good principles and accepted professional standards and meeting the intents and objectives of the PO and the SUPPLIER has the experience, capability and all necessary registrations and licenses to perform the Services under the PO. The warranty period shall be for a period as stated in the PO.
- 10.3. The SUPPLIER shall be responsible for making good, with all possible speed, any failure of omission and defects in the Services or any portion thereof. Remedied Services shall be at the SUPPLIER's cost and shall carry an additional guarantee period as mutually agreed by both parties from the period the Services are remedied.
- 10.4. The SUPPLIER shall ensure that the warranty is directly extended to the BUYER and, at the BUYER's option, the BUYER may exercise any of the warranty herein directly against the manufacturer of the Products and its agents.
- 10.5. The SUPPLIER's liability hereunder shall extend to all damages directly cause by the omissions or defects, including incidental damages such as removal, inspection, costs of return or storage. The SUPPLIER shall not be liable for any indirect, remote or consequential losses except for losses recoverable under valid and collectable insurance carried by the SUPPLIER.

## 11. CONFIDENTIALITY

Any PO placed by the BUYER including all designs, drawings, specifications and information shall be treated as confidential and the SUPPLIER shall not in particular, make use of the BUYER'S name or the name of any companies associated with the BUYER for publicity purposes without the consent of the BUYER.

## 12. FORCE MAJEURE

- 12.1. Neither party shall be liable for any failure to fulfil any term of the PO if fulfilment has been delayed interfered with or prevented by force majeure (including, but not limited to) acts of God, acts of civil or military authority, civil commotions, fire, strikes, hijacking, lockouts or labour disputes (excluding strikes, lockouts, labour disputes or other action primarily by the act of employees or agents of the affected party), pandemics, epidemics, wars, riots, earthquakes, storms, sand storms, typhoons, perils of the sea, blockade, embargo, plague or other epidemics or similar events. Force majeure may only be invoked if the event preventing the fulfilment is due to no fault or beyond the control of the obligor, is not for his risk and has occurred since the obligation came into being.



12.2. The affected party is obligated to notify the other party as soon as reasonably practicable after it becomes aware of a force majeure. BUYER and SUPPLIER shall concur as to the actions to be taken, if any, to mitigate the effects of the force majeure.

## 13. TAXES AND DUTIES

All taxes, fees and duties assessed against the SUPPLIER, in connection with the PO by national or local authorities having jurisdiction over the SUPPLIER at its place of business and at place of execution of the PO shall be for the SUPPLIER's account.

## 14. INSURANCE

The SUPPLIER shall effect and maintain at its own cost, all applicable insurances as required by law and to cover the SUPPLIER's responsibilities and liabilities under the PO. Nothing contained herein shall serve in any way to limit or waive the SUPPLIER's responsibilities or liabilities under the PO.

## 15. APPLICABLE LAW

The PO shall be governed, construed and shall take effect in accordance with the English law and the SUPPLIER agrees to submit to the exclusive jurisdiction of the English Courts.

## 16. ENTIRE AGREEMENT

The terms and conditions set out on the PO together with any subsequent amendments made in writing by the BUYER represent the entire terms and conditions of the agreement between the BUYER and SUPPLIER. In the event that the Buyer and SUPPLIER have previously entered into an agreement for particular standard terms and conditions, which is valid at the creation date of the PO, the particular standard terms and conditions shall take precedence and prevail over the terms and conditions set out in the PO.

## 17. SPECIAL CONDITIONS

Where special conditions are stated in the PO, those conditions shall apply equally with the general terms and conditions shown herein except that where there is any inconsistency between the general and special conditions, the special conditions shall apply.

## 18. HEALTH, SAFETY, SECURITY AND ENVIRONMENT (“HSSE”)

Where a Product and/or Services is being provided on property occupied by the BUYER, the SUPPLIER shall be responsible for the safety of all persons engaged on the work, and all persons who may be affected by activities of the SUPPLIER and shall comply with all the BUYER's [HSSE regulations and procedures](#).

## 19. WAIVER

Failure by the BUYER to enforce the performance of any of the provision of the PO shall neither be deemed to be a waiver of its rights hereunder nor shall it affect the validity of the PO in any way. Any waiver by the BUYER to any breach of the PO shall not constitute a precedent nor bind the parties to any subsequent breach by the SUPPLIER.

## 20. ASSIGNMENT

The SUPPLIER shall not assign nor sub-contract any part or all of its obligations and responsibilities under the PO to any other party or sub-Supplier without the prior written consent or approval of the BUYER. In the event that the BUYER agrees that the SUPPLIER assigns any part or all of its obligations and responsibilities under the PO to any other party or sub-Supplier, the SUPPLIER shall remain liable for all the SUPPLIER's obligations and responsibilities under the PO and shall ensure that the party to which the PO is assigned or sub-contracted will

- i. possess all valid and requisite licences, permits and/or approvals required to perform the obligations and responsibilities required of the SUPPLIER under the PO; and
- ii. observe all the terms and conditions of the PO applicable to the SUPPLIER

The BUYER shall be permitted to assign the PO to its affiliates.

## 21. SEVERABILITY

If any provision of the PO (or part of any provision) is found by any court or other authority of the competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of the PO, and the validity and enforceability of the other provisions of the PO shall not be affected.

## 22. PUBLICITY

Neither party shall use the name of the other in connection with any advertising or publicity materials or activities without the prior written consent of the other party. The SUPPLIER may, with the prior written consent of the BUYER, include the BUYER's name on the SUPPLIER's customer list and may describe briefly, and in general terms, the nature of the work performed by the SUPPLIER for the BUYER, provided the wording is agreed with the BUYER in advance.

## 23. AUTHORITY

Each party hereby represents and warrants that it has full right and authority to enter into and perform any and all provisions of the PO and that there are no encumbrances or other restrictions that may prevent each such party or its employees from performing any and all provisions of the PO.

## 24. NON-EXCLUSIVITY

Nothing contained herein is intended or shall be construed as creating any exclusive arrangement with the SUPPLIER. The PO shall not restrict the BUYER from acquiring similar, equal or like Services and/or Products from other Suppliers, entities or sources.

## 25. BUSINESS CONDUCT, ANTI-BRIBERY AND ETHICS

- 25.1. The SUPPLIER shall comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010 ("Relevant Requirements"). The SUPPLIER shall have and shall maintain in place throughout the term of the PO its own policies and procedures, including but not limited to adequate procedures to ensure compliance with the Relevant Requirements. It is agreed that the SUPPLIER will not engage in any activity or practice which constitutes an offence under the Relevant Requirements including not to offer, pay, consider or benefit, either directly or indirectly an inducement or reward of any kind for any services, or possible services in relation to the PO. Breach of this clause shall be deemed a material breach of the PO.
- 25.2. The SUPPLIER shall comply with BUYER's [Code of Conduct and Business Ethics](#), Country Supplement, [Anti-Corruption and Bribery Manual](#), other applicable rules, regulations, policies, procedures, guidelines and requirements as updated by the BUYER from time to time, in providing Products and/or performing the Services for the BUYER. Failure of the SUPPLIER to comply shall entitle the BUYER to take any such action as deemed necessary including termination of the PO without compensation.
- 25.3. The SUPPLIER must ensure that all Associated Person who provide Products and/or perform any Services in connection with the PO comply with the provision of this clause.
- 25.4. From time-to-time, at the reasonable request of the BUYER, the SUPPLIER shall confirm in writing that it and its Associated Person have complied with the obligations imposed in this clause and provide any information reasonably requested by the BUYER in support of the compliance obligations.

## 26. PERSONAL DATA PROTECTION ACT

- 26.1. Both parties shall comply with all applicable requirements of the Data Protection Legislation.
- 26.2. The BUYER does not consent to the SUPPLIER appointing any third-party processor of Personal Data under the PO.
- 26.3. The SUPPLIER agrees to indemnify and keep indemnified and defend at its own expense the BUYER against all costs, claims, damages or expenses incurred by the BUYER or for which the BUYER may become liable due to any failure by the SUPPLIER or its personnel or agents to comply with any of its obligations under the PO.

## 27. MODERN SLAVERY

- 27.1. The SUPPLIER shall comply with all applicable laws, statutes, regulations and codes relating to modern slavery requirements, forced labour and human trafficking including but not limited to the UK Modern Slavery Act 2015 ("Modern Slavery Requirements"). The SUPPLIER shall have and shall maintain in place throughout the term of the PO its own policies and procedures, including but not limited to adequate procedures to ensure compliance with the Modern Slavery Requirements. It is agreed that the SUPPLIER must commit to all areas of this Modern Slavery Requirements for any services, or possible services in relation to the PO.
- 27.2. Without prejudice to any other rights that the BUYER may have under the Agreement or at law, the BUYER may terminate the Agreement or any other works relating to the PO immediately upon notice in writing should the SUPPLIER including any of its employees, agents, consultants violate the provisions of this Clause 27.

## 28. AMENDMENT

No amendment or variation of the provisions of the PO shall be binding upon any party unless it is mutually agreed in writing by both parties.