

KLK OLEO*

General Terms and Conditions For the Purchase of Goods and/or Services

Version September 2018

Definitions

“KLK OLEO”	the companies under the manufacturing division of Kuala Lumpur Kepong Berhad and having oleochemical manufacturing facilities and/or sites globally.
“Contract”	means any contract agreed by the parties for the supply of Goods and/or Services, including but without limitation to the Order.
“Goods”	any goods described in the Contract or Order supplied to KLK OLEO.
“GTC”	these General Terms and Conditions for the purchase of Goods and/or Services which shall form part of the Contract or Order.
“Order”	KLK OLEO’s written instruction to supply the Goods and/or Services, including technical specification(s) and/or any other delivery requirements.
“Price”	the price of the Goods and/or Services including all charges for packaging, shipping, carriage, insurance, delivery to the address specified in the Contract or Order, manual, certificates and instructions, excluding any tax implemented from time to time under the Governing Law.
“Services”	any services described in the Contract or Order and all work carried out by the Supplier for KLK OLEO.
“Supplier”	the firm and/or company to which the Contract or Order is addressed (including its successors and/or approved assigns).

1 GENERAL

1.1 The GTC of KLK OLEO shall apply without express agreement of the Supplier.

- 1.2 Amendments to this GTC shall be made in writing.
- 1.3 The Supplier shall not be entitled to assign any of its rights under the GTC or any of its obligations under the Contract or Order without KLK OLEO’s prior written consent.
- 1.4 Failure and/or delay by KLK OLEO in enforcing or partially enforcing any provision of the Contract, GTC or Order will not be a waiver of any of its rights under the Contract, GTC or Order.
- 1.5 The Supplier, its employees, agents and sub-contractors shall abide by KLK OLEO’s applicable site and safety rules when at KLK OLEO site.
- 1.6 If any provision of the Contract, GTC or Order is found by any body of competent jurisdiction to be wholly or partly illegal, invalid, unenforceable or unreasonable it shall to the extent of such illegality, invalidity, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Contract, GTC or Order and the remainder of such provision shall continue in full force and effect.
- 1.7 All Suppliers under the Contract or Order with KLK OLEO shall abide and adhere to KLK OLEO’s Supplier Code of Conduct at <http://www.klkoleo.com/sites/default/files/Palm%20-%20Supplier%20Code%20of%20Conduct.pdf>

2 OFFER

- 2.1 Requests for quotes by KLK OLEO are subject to change and should only be perceived as a request to the Supplier to submit an offer.
- 2.2 Supplier’s quotation is deemed binding for a period of 10 working days from receipt of the offer by KLK OLEO.
- 2.3 The offer is made free of charge and shall not create any obligations and/or liabilities whatsoever to KLK OLEO.

3 FORMATION OF CONTRACT OR ORDER

- 3.1 The acceptance of the Supplier’s quotation aforementioned in clause 2 shall be the formation of a Contract or Order.

3.2 The Supplier shall include the Contract or Order number in all correspondences, invoices and or shipping documents (certificates of analyses, freight bills, delivery notes, express parcel consignment notes, parcel dispatch slips, etc.). The Supplier shall be liable for any costs and/or expenses (such as demurrage, marshalling charges, etc.) incurred as a result of any misrouting due to a non- observance of the Contract and/or GTC and/or Order.

4 PRICES AND CONDITIONS OF PAYMENT

4.1 The Price set out in the Contract or Order is binding.

4.2 KLK OLEO is entitled to rights of set-off and retention.

4.3 Supplier's invoice must (i) state the Contract or Order Number and the Supplier's delivery note number and (ii) be in accordance with the details in the Order with regards to description of the Goods, Price, quantities, order of the items and items numbers. Any invoices not following the above requirements may be rejected.

4.4 Payment is conditional upon the Goods or Services being delivered in accordance with the Contract or Order. However, payment made by KLK OLEO shall not affect KLK OLEO's rights relating to defects in Goods or Services.

4.5 Unless stated otherwise in the Contract or Order, the Supplier may invoice KLK OLEO on or at any time after delivery of the Goods and/or Services.

4.6 KLK OLEO may set off against the Price any sums due to KLK OLEO from the Supplier for the Contract or Order between KLK OLEO with the Supplier or any of its associated company.

5 DELIVERY

5.1 Delivery shall take place at the delivery address and delivery dates specified in the Contract or Order or such other confirmations from the planner provided from time to time. Delivery not in accordance with the aforesaid date and or the venue aforementioned and without any notice whatsoever by the Supplier shall be deemed a breach of Contract or Order in which event KLK OLEO shall have rights to cancel the Order or terminate the Contract, without prejudice to the KLK OLEO's rights to claim for any damages whatsoever in relation thereto.

5.2 In addition to the cancellation of the Order or the termination of the Contract, KLK OLEO may procure

replacement of the Goods or Services from an alternate Supplier, or produce the replacement products itself, in which event KLK OLEO shall have the rights to claim for any difference for the costs and expenses arising from such replacements and/or productions.

5.3 As soon as the Supplier becomes aware of circumstances that he cannot fulfil his contractual obligations in whole or in part or cannot fulfil them on time, the Supplier shall immediately notify KLK OLEO, in writing with reason(s) provided by the Supplier and – if in cases of an anticipated delay – the anticipated duration of the delay, without prejudice to KLK OLEO's rights arising from the delay. In addition, in case of any late delivery. KLK OLEO may cancel the Order or terminate the Contract without waiving its other rights or remedies available under the Governing Law. The Supplier shall also be liable for all loss and/or damages arising from such late deliveries including but not limited to consequential loss, loss of profits, loss of production, loss of business opportunity.

5.4 Partial deliveries or partial performance may only be executed by Supplier, if KLK OLEO has consented thereto upfront in writing.

5.5 All Goods shall be packaged so as to protect them adequately before, during and after delivery and, if required by KLK OLEO, each delivery shall be accompanied by a certificate of analysis and/ or up-to-date material safety data sheet in a form acceptable to KLK OLEO.

5.6 For every delivery, the Supplier shall provide KLK OLEO and where applicable the recipient of the delivery of the Goods and Services a separate and specific notice of despatch with details of the Contract or Order number, packaging and or weight.

5.7 The Supplier shall be liable to KLK OLEO for the due and proper labelling/ marking of all deliveries, in particular with regards to hazardous materials, which are subject to statutory labelling requirements.

6 FORCE MAJEURE

6.1 On the occurrence of an event of force majeure ("Force Majeure Event"), the party affected shall immediately give notice to the other party and indicate the expected duration of the Force Majeure Event and shall take all reasonable measures to resume performance of its obligations under the Contract, GTC and/or Order.

6.2 If a Supplier fails to supply the Goods or Services as a result of a Force Majeure Event, KLK OLEO may cancel the Order and/or procure replacement the Goods or Services from an alternate Supplier, or produce the replacement products itself, and shall not have any liability to the Supplier arising out of such procurement or production.

6.3 Neither KLK OLEO nor Supplier shall be responsible for the delay/ non-performance of its respective obligations under the Contract or Order (including, but not limited to, delay/ non-delivery or delay in acceptance/ non-acceptance of the Goods or Services) caused by Force Majeure Event, including but not limited to flood, drought, frost, wind, typhoon, hurricane, tidal wave, landslide, lightning, earthquake or other act of God, prohibition of exportation, refusal to issue export license, law, regulation, order, direction or guidance of any government or instrumentality thereof, intervention of civil naval or military authorities, war or hostilities or the threat or apprehension thereof, warlike condition, riot, civil commotion, insurrection, revolution, blockade, embargo, strike, lockout, fire, explosion, plague or other epidemic, quarantine, or any other event of any nature whatsoever beyond control and affecting the activities of Supplier or KLK OLEO named in the Contract or Order.

6.4 In addition but not in derogation to the above, on the occurrence of a Force Majeure Event which shall continue for more than one month, the non-affected party shall have the option to terminate the Contract or Order.

7 TRANSFER OF RISK

7.1 Unless otherwise agreed in writing (e.g. Inco terms clause), the delivery shall be at the cost and risk of the Supplier. The delivery shall include the usual trade packaging. Other costs or charges arising must be borne by the Supplier.

7.2 Without prejudice to KLK OLEO's rights to reject any Goods and/or Services, title to the Goods and/or Services shall pass to KLK OLEO upon delivery.

7.3 KLK OLEO is not obliged to inspect the Goods upon delivery. If the Goods delivered fail to conform to the specifications and quality requirements provided by KLK OLEO, KLK OLEO shall inform the Supplier in writing thereof within two months after detection of such non-conformity and shall return such Goods to the Supplier at the risk and expense of Supplier. The Supplier shall replace such rejected Goods within a reasonable time (being not more than 15 days after

receipt of such written notice) with Goods which do comply with specifications and quality requirements provided by KLK OLEO.

8 CLAIMS FOR DEFECTS, NOTICE OF DEFECTS AND LIABILITY OF THE SUPPLIER

8.1 The Supplier warrants that the Goods and/or Services delivered comply with all relevant packaging ordinance in its current versions as well as the product specifications and quality requirements specified by KLK OLEO in the Contract or Order. The Supplier is obliged to point out to KLK OLEO in writing any possible limitations on use and declaration obligations for the Goods and/or Service delivered.

8.2 The use of sub-contractors as well as any change in production or any change of the source of supply for the Goods and/or Services to be delivered requires the express written consent of KLK OLEO.

8.3 For deliveries of Goods and/or Services for purpose of manufacturing or packaging of foodstuffs, the Supplier warrants and guarantees that the Goods and/or Services delivered shall comply with the Food Act.

8.4 In cases of a substantiated notice of defects being made on time KLK OLEO is entitled to its full statutory claims for defects either by replacement of Goods or monetary refunds. The Supplier shall also be liable for all loss and/or damages arising from such defect including but not limited to consequential loss, loss of profits, loss of production, loss of business opportunity.

8.5 In the case of a warranty claim the Supplier is obliged to bear all the necessary costs for the purposes of remedying the defect or providing a replacement delivery.

8.6 If the Supplier delivers a new item for the purposes of supplementary performance pending the replacement of the defective item, at the request of the Supplier, KLK OLEO may dispose the defective item or return the same to the Supplier, at the costs and expense of the Supplier. Notwithstanding the provision of the new item for purpose of supplementary performance aforementioned, the Supplier shall ensure that the defective item be replaced within the period mutually agreed upon by the Supplier and KLK OLEO in accordance with the specifications and quality requirements provided by KLK OLEO and the relevant statutory provisions.

8.7 The Supplier agrees to indemnify KLK OLEO for all third parties claims, which are made against KLK OLEO by reason of breaches of obligations by the Supplier, insofar and to the extent that the Supplier is liable against KLK OLEO. The Supplier shall reimburse KLK OLEO with all necessary costs incurred by KLK OLEO for reason of the Supplier's breaches of obligations.

8.8 The Supplier shall indemnify KLK OLEO for any claim under the product liability to the extent that the cause lies within the Supplier's control.

8.9 In the context of the Supplier liability for damages within the meaning of clauses 8.8 the Supplier is also obliged to reimburse all costs and expenses arising from or in connection with any recall procedure carried out by KLK OLEO.

9 INDEMNITY

9.1 The Supplier shall indemnify KLK OLEO in full against all liability, loss, damages, costs and expenses (including reasonable legal fees) and/or such other claims (including but not limited to third party claims) arising from and/or incurred as a result of: (i) any breach of the Contract or Order and/or (ii) any act or omission of the Supplier or its employee, agents and or sub-contractors in the supply and/or during the supply of the Goods and/or Services.

10 THIRD PARTY RIGHTS

10.1 The Supplier warrants that all Goods and/or Services provided by him are free from any third party rights whatsoever and that KLK OLEO through the use of the Goods and/or Services shall not breach any patents, copyright, trademarks, licenses and/or any other protective rights or know-how of third parties whatsoever.

10.2 The Supplier indemnifies KLK OLEO on first demand and shall hold KLK OLEO completely harmless for any and/or all third parties' claims arising out of or in connection with the breach of rights of third parties as a result of the use of the Goods and/or Services.

11 INSURANCE

11.1 Unless otherwise expressly agreed in writing the Supplier shall take out at his own cost sufficient insurance coverage of all insurances, for damages caused by the Supplier, Supplier's representatives, managing employees and/or

other vicarious agents in connection with the execution of the Contract and/or Order.

11.2 Unless otherwise expressly agreed in writing the Supplier shall take out at his own cost a sufficient product liability insurance for claims made against him on the basis of product defects for which he and or his Supplier is responsible.

11.3 Upon the request from KLK OLEO, the Supplier shall provide to KLK OLEO the relevant certificates of insurance issued by the Supplier's insurance provider evidencing that the Supplier has adequate insurance in place with individual claim limits and aggregate coverage satisfactory to KLK OLEO in each case.

12 DOCUMENTS AND CONFIDENTIALITY

12.1 Sample deliveries, drafts, plans and calculation prior to the placement of the Order are provided free of charge for KLK OLEO. Drawings, models, films and or other submission that have been prepared for the fulfilment of the Contract or Order shall become the property of KLK OLEO upon payment by KLK OLEO.

12.2 The Supplier shall not disclose to any other party any confidential information belonging to KLK OLEO or any associate company(ies) of KLK OLEO. For the purpose of this Contract or Order, confidential information of KLK OLEO and its associate company(ies) shall include, without limitation, specifications, formulae, manufacturing processes, know-how and any technical and or economic information or use such information for any purpose unless expressly authorised in writing by KLK OLEO, during the Contract or Order and for a period of ten years after the termination thereafter.

12.3 The Supplier shall only use and/or disclose such confidential information to such of its employee, agents or sub-contractors who have a need to know basis and solely for the purpose of fulfilling the Contract or Order and Supplier shall ensure its employees keep such confidential information secret in accordance with this clause, except to the extent that it is or becomes public knowledge through no fault of the Supplier or its employees, agents or sub-contractors.

12.4 The request for a quote, the Order, the related Services and specifications as well as all information received in connection with the carrying out of the Contract or Order

shall all be treated by the Supplier as a business secret and handled as confidential. The Supplier is liable for all damages accruing to KLK OLEO as a result of a breach of these confidentiality obligations.

13 LIABILITY OF KLK OLEO

13.1 Subject to the provision in the following clauses 13.1 to 13.3, KLK OLEO shall only be liable for damages caused by the deliberate or gross negligence conduct of KLK OLEO, its statutory representatives and/or managing employees.

13.2 For damages caused by the gross negligence, the liability for such damages shall be limited to those typically arising in the context of the Contract or Order.

13.3 For damages caused neither deliberately nor through the gross negligence of KLK OLEO, its statutory representatives or managing employees, KLK OLEO shall only be liable if an obligation is a breach where compliance with such an obligation is of considerable significance to the achievement of the purposes of the contract (cardinal obligation). In the case of a breach of a cardinal obligation the limitation on liability pursuant to clause 13.2 shall apply.

14 GOVERNING LAW AND JURISDICTION

14.1 The Contract, the GTC or the Order shall be governed by and shall be construed in accordance with the laws of Malaysia.

14.2 The parties shall submit all their disputes out of or in connection the Contract, the GTC or the Order to the exclusive jurisdiction of the courts of Malaysia.