

1 Supply of goods and/or services

The Seller/Contractor must supply to the PT. South Pacific Viscose („SPV“), the goods and/or perform the services in accordance with the purchase order or purchase contract (“Goods” or “Services”) agreed between Seller/Contractor and SPV (where these General Terms and Conditions of Purchasing are made integrated part thereof).

Where the purchase order or purchase contract relates to Goods and/or Services, the subject of each contract between the Seller/Contractor and SPV, the terms of that purchase order or purchase contract shall prevail to the extent of any inconsistency with these General Terms and Conditions of Purchasing.

The Seller/Contractor must, in supplying the Goods or performing the Services:

- not interfere with the SPV’s activities or the activities of any other person or parties at the delivery address as agreed in the purchase order or purchase contract;
- be aware of and comply with and ensure that the Seller/Contractor's workers, employees/staffs, agents, supplier and subSeller/Contractors are aware of and comply with:
 - all applicable laws;
 - all site standards and procedures are in every case been instructed to Seller/Contractor, to the extent that they are applicable to the supply of the Goods or the performance of the Services by the Seller/Contractor; and
 - all lawful directions and orders given by the SPV's representative or any person authorized by law to give directions to the Seller/Contractor
- ensure that the Seller/Contractor's workers, employees/staffs, agents, supplier and subSeller/Contractors entering the SPV's premises perform in a safe manner and are properly qualified for, and skilled in, the performance of their tasks and are of such character as not to prejudice:
 - safe working practices;
 - safety and care of property; and
 - continuity of work;
- provide all such information and assistance as the SPV reasonably requires in connection with any statutory or Safety, Health and Environment (SHE) investigation in connection with the supply of the Goods or the performance of the Services
- on request by SPV, provide to the SPV and its employees, agents and consultants any information and assistance required to identify, evaluate, implement and report on any matter required by law, including:
 - producing written reports;
 - recommending efficiency opportunities;

- collecting data; and
- monitoring or metering,

in respect of anything used, produced or created in connection with the performance of the Seller/Contractor's obligations under this the purchase order or purchase contract.

2 Delivery

The Seller/Contractor must deliver the Goods to the Delivery Address (DDP Incoterms 2010) by the Delivery Date.

The Seller/Contractor is liable for damages arising out of transport or storage and must ensure that the Goods are suitably packed to avoid damage in transit or in storage.

Packages must be marked with the purchase order, purchase contract number, item number, destination, contents, quality, date and method of dispatch and weight of each package.

SPV shall have the right to inspect and test the goods at any time during manufacture and/or prior to delivery or subsequently after delivery at SPV's premises. If the specifications do not conform to requirements as per the purchase order or purchase contract, the goods shall be rejected.

An intimation shall be sent by SPV about rejection of Goods or Services, either fully or partially and the rejected Goods or Services shall be taken back by Seller/Contractor from the place of delivery at Seller/Contractor's expense within 7 (seven) days with replacement of specified quality and quantity of goods.

3 Time for performance

The Seller/Contractor must perform the Services by the date or schedule as specified in the purchase order or the purchase contract.

4 Title and risk

Title in or ownership of the Goods or Services passes to the SPV upon handover of the Goods and/or Services at the agreed Delivery Address.

Risk in the Goods and/or Services passes to the SPV when the Goods are delivered to the place of delivery as agreed upon in the purchase order or purchase contract

5 Price

The Price as agreed in the purchase order or purchase contract is inclusive of all costs incurred by the Seller/Contractor in the supply of the Goods and/or performance of the Services including all charges for packing, insurance and delivery of the Goods and the cost of any items used or supplied in the performance of the Services.

The Price is inclusive of all taxes and duties, except VAT.

6 Taxes

- The Seller/Contractor is subject to Indonesian tax laws and regulations and shall comply with the Indonesian taxation obligations wherever applicable.
- The Seller/Contractor is and remains liable for payment of any taxes due and payable by the Seller/Contractor. If any tax is imposed, the Seller/Contractor must pay the full amount to the relevant authority and indemnifies and holds harmless SPV against any failure to do so.

6.1 Withholding tax and value added tax

The SPV may deduct from the whole or part of payments due to the Seller/Contractor any Taxes, or other payments that SPV is required to withhold or deduct by any taxing authority.

Where SPV is required by Indonesian Law to withhold or deduct from any payment due to the Seller/Contractor under or in respect of this Contract any amount with respect to or which relates to any Tax, levy or duty, the Seller/Contractor authorizes such withholding or deduction, and payment made to the appropriate Government agency.

SPV shall advise the Seller/Contractor if SPV is in doubt whether or not it will be required by Indonesian Law to withhold or deduct from, and or at what rate of withholding tax applicable on, any payment due to the Seller/Contractor any amount with respect to or which relates to any Tax, levy or duty.

The Seller/Contractor shall issue and forward a standard VAT invoice to the SPV in accordance with the prevailing VAT Law and regulations. The SPV, pursuant to the applicable VAT Law, will pay the VAT at its discretion or as required by the applicable VAT Law to either the Seller/Contractor or the Indonesian Government.

Where the Seller/Contractor does not issue a VAT invoice in accordance with the VAT Law:

- the SPV will not be liable to pay the VAT to the Seller/Contractor; and
- where by Law SPV is required to pay VAT directly to the Government of Indonesia, the VAT amount shall be deducted or set-off from any payment due to the Seller/Contractor.

7 Invoicing Payment

Upon delivery of the Goods and/or completion of the Services, the Seller/Contractor shall provide to the SPV an invoice which must include the following details and information:

- a reference to the purchase order number and/or the relevant purchase contract;
- a detailed description of the delivered Goods or performed Services, including the date of delivery and/or period of Services in respect of which the invoice relates and the relevant quantity or work progress, along with required supporting documents/reports;
- Bank account details of the Seller/Contractor;

Payment shall be made by bank transfer or other method agreed in the purchase order or purchase contract, within 30 (thirty) days after date of invoice, along with all necessary documents duly approved by authorized representative of SPV.

8 Quality

The Goods and/or Services must match the description and quality requirement referred to in the purchase order.

If the Seller/Contractor gives SPV a sample of the Goods or a demonstration of the Services, the Goods and/or Services must be of the same nature and quality as the sample or demonstration given.

The Goods and/or Services must be fit for the purpose for which goods and/or services of the same kind are commonly supplied or bought and for any other purpose the SPV specifies.

9 Warranty Period

Warranty period for the supplied Goods shall be the period of 18 (eighteen) months commencing on the date of delivery of the Goods or 12 (twelve) months commencing on the date of putting the Goods into services, whichever is earlier.

Warranty period for performed Services shall be the period of 12 (twelve) months commencing on the date of delivery & acceptance of the Services.

If during the warranty Period, any of the Goods or Services are found to be defective, SPV may at cost of the Seller/Contractor:

- return the defective Goods to the Contractor;
- reject the defective Services;
- repair or make good the defective Goods; or
- re-perform or make good the defective Services.

The Seller/Contractor shall:

- repair or replace the defective Goods;
- re-perform or make good the defective Services; or
- reimburse the SPV for any expenses incurred in repairing, re-performing or making good (as the case may be) any defective Goods or Services, at the Seller/Contractor's cost, if requested to do so by SPV.

10 Work Accidents

The Seller/Contractor shall be liable for and shall indemnify and hold harmless SPV against all losses, expenses or claims arising in connection with the death of or injury to any person employed by the Contractor or his subcontractors for the purposes of the Goods, Services or works, unless caused by any acts or defaults of SPV or other contractors engaged by SPV.

The Seller/Contractor shall insure and maintain insurance against his manpower.

11 Penalty

A penalty of 1% (one percent) per day of delay shall be applicable for delay in delivery subject to a maximum of 10% (ten percent) of the total value of purchase order or purchase contract.

12 Secrecy

Contractor shall keep all documents, drawing and/or any information received from SPV, strictly secret and confidential and shall use them only for the purpose of fulfilling obligation under the purchase order or purchase contract. Contractor shall oblige its employees hereto to the same extend.

Confidential information is and remains the property of SPV.

13 Settlement of Dispute

PT. South Pacific Viscose and the Seller/Contractor shall agree to settle any dispute that may arise in execution of the purchase order/ purchase contract by amicably settlement.

In case an amicably settlement cannot be reached within 8 (eight) weeks upon arising of such dispute, then such dispute shall be referred to court in Jakarta as per the laws of government of Republic of Indonesia or as mutual agreement of both parties in Purchase Order/ Contract Agreement.

14 Force Majeure

If either of the Parties is prevented from performing its obligations under the purchase order/ purchase contract, by such cases of Force Majeure as war, serious fire, riots, labor unrest / strike, civil disturbance, flood, typhoon and earthquake, the time for delivery of Goods and/or performance of Services under the terms of purchase order or purchase contract shall be extended by a period equal to the effect of those cases. The period of the same shall be mutually agreed by both parties.

15 Governing Law

Unless otherwise stated in the Contract, the law which is to apply to the Contract and under which the Contract is to be construed is The Law of Republic of Indonesia.

16 Ruling Language

If there are version of any part of the Contract which are written in English and Bahasa Indonesia, the Bahasa Indonesia version shall be the Ruling Language and prevail.