



## TERMS AND CONDITIONS OF SUPPLY OF GOODS AND SERVICES OF ATLAS COPCO

### 1. Definitions

“Supply” means the supply of Goods and/or Services described in the Purchase Order; “Buyer” means the party buying Goods or procuring Services, who is named in the Purchase Order; “Atlas Copco” means Atlas Copco (Malaysia) Sdn Bhd (Registration No. 198201007501 (87259-U), whose registered office is at 26, Jalan Anggerik Mokara 31/47 Seksyen 31, Kota Kemuning 40460 Shah Alam, Selangor Malaysia and who supplies the Goods and/or Services to Buyer; “Purchase Order” means an order placed on Atlas Copco by Buyer; “Goods” means products, consumable materials, equipment, equipment components, spare parts, software and other Goods and materials supplied by Atlas Copco to Buyer; “Services” means any services supplied by Atlas Copco to Buyer which are described in the Purchase Order.

### 2. Formation of Contract and Order of Precedence

- (a) A Purchase Order whether or not based upon a quotation shall not be binding on Atlas Copco unless accepted by it in writing.
- (b) These Conditions shall form part of every contract of supply entered into between Atlas Copco and Buyer. Any purported variation or exclusion (whether contained in any document of Buyer or otherwise) shall be of no effect unless accepted in writing by Atlas Copco.
- (c) Once acknowledged the Purchase Order and these Conditions shall constitute the entire agreement between Atlas Copco and Buyer for the supply of Goods and/or Services (“the Contract”).
- (d) In the event of any conflict between these Conditions and an accepted Purchase Order, the accepted Purchase Order shall prevail.
- (e) Any representations or warranties made or given by anyone on Atlas Copco’s behalf prior to its acceptance of a Purchase Order and not contained in Atlas Copco’s written quotation or Purchase Order acknowledgement are hereby expressly excluded.
- (f) Only such Goods and/or Services as are specified in Atlas Copco’s Purchase Order acknowledgement are included in the scope of the Contract.
- (g) Atlas Copco shall not be obliged to alter the performance or features of the Goods following its acceptance of Buyer’s Purchase Order unless, at its absolute discretion, it agrees in writing to do so and subject to the payment by Buyer of an extra charge.

### 3. Specifications – Intellectual Property Rights

- (a) All drawings, descriptive matter, weights, dimensions and specifications supplied by Atlas Copco are approximate only unless otherwise stated and all descriptions and illustrations contained in Atlas Copco’s catalogues, price lists and advertising matter are by way of general description, are stated by Atlas Copco in good faith based on Atlas Copco’s experience as being correct within acceptable tolerances but are approximate only, in no way are binding on Atlas Copco and do not form part of the Contract unless specifically stated to do so. Atlas Copco will supply a set of certified outline drawings after conclusion of the Contract and on request of Buyer if separately contracted so to do. Unless agreed otherwise in writing, it is Buyer’s responsibility to ascertain whether the capacity and performance of the Goods are sufficient and suitable for Buyer’s purposes.
- (b) Atlas Copco retains ownership in any technical information, drawings, specifications and other intellectual property rights relating to the Supply. All such information shall be kept confidential by Buyer and shall not be disclosed to any third party unless and until the same is or becomes public knowledge nor shall any such information be used by Buyer for any purpose other than for the purpose of using any Goods supplied under the Contract without Atlas Copco’s prior written consent. Atlas Copco’s trademarks and names and those of its associated companies shall not be used by Buyer otherwise than as applied by Atlas Copco to Goods or associated documentation.
- (c) Any software owned by Atlas Copco is installed on compatible equipment to record the performance and the use of each of these units (“the Data”). A free royalty and non-exclusive license to use basic data (monthly use) is hereby granted to Buyer for 3 years from the commissioning of such equipment and Atlas Copco reserves the right to use the Data as it sees fit.

### 4. Tests

- (a) The Goods are carefully inspected, and where appropriate, submitted to Atlas Copco’s standard tests. Unless otherwise agreed such tests will be carried out at Atlas Copco’s premises or any of its affiliates’ premises.
- (b) If a special test or witness test in the presence of Buyer or his representative is required, this will be charged for, and in the event of Buyer failing to attend such test within 14 days of Atlas Copco giving it notice that the test is ready for performance, the test will proceed in Buyer’s absence and the Goods will be deemed accepted in Buyer’s absence.

### 5. Prices

- (a) All prices quoted by Atlas Copco are exclusive of carriage and packing costs and exclusive of Service Tax or GST, unless otherwise stated.
- (b) Where a Purchase Order is placed and accepted for Goods differing in size, quality, quantity or in any other way from the Goods specified in Atlas Copco’s quotation, an additional charge may be made.
- (c) Services, installation and commissioning are not included in the purchase price for the Goods.
- (d) Atlas Copco’s prices are subject to alteration on 30 days’ notice and, unless otherwise agreed in writing, Goods and Services will be sold at the prices applicable at the date of despatch of the Goods

### 6. Payment - Cancellation

- (a) Unless otherwise agreed in writing, prices quoted are strictly net and payment shall be made within 30 days From the date of invoice. Invoices will normally be issued on the date of delivery of the Goods or completion of the Services Time of payment of the essence
- (b) In the event of any delay in payment Atlas Copco shall be entitled to charge interest on any outstanding balance at the rate of 15% per annum or part thereof. During such period of default and at any other time when Buyer shall be in breach of the terms of the Contract or Atlas Copco shall have reasonable grounds for doubting that payment will be made on the due date, Atlas Copco shall be entitled to withhold deliveries without prejudice to its right to payment for Goods and for work undertaken and expenses incurred in connection with undelivered Goods which shall become immediately due and payable on demand.
- (c) Atlas Copco may accept or refuse, at its sole discretion, a written request for cancellation by Buyer. Without prejudice to any other rights Atlas Copco may have, upon cancellation, Buyer shall pay to Atlas Copco a compensation equivalent to (i) 15% of the purchase price for standard Goods and (ii) 30% of the purchase price or the cost of materials and labour incurred until the cancellation date, whichever is the highest amount, for non-standard Goods. Such compensation which constitutes a genuine pre-estimate of costs and losses incurred, is due within thirty (30) days from issue of the corresponding invoice

### 7. Delivery

- (a) Atlas Copco shall endeavour to supply the Goods and Services within the time stated in the Purchase Order, but shall not be liable for late delivery unless Atlas Copco agreed to pay liquidated damages in which case liquidated damages shall constitute Buyer’s sole remedy for late delivery.
- (b) Buyer shall take delivery of the Goods in accordance with the delivery date specified in the Contract or at the latest 5 days from Atlas Copco’s notification that the Goods are ready for delivery, whichever is the latest. Buyer will supply Atlas Copco with delivery instructions promptly on notification to Buyer that Goods are ready for shipment. Buyer’s obligation to take delivery of the Goods as provided in the Contract constitutes a material obligation of Buyer.

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<b>West Malaysia</b>	<b>West Malaysia</b>		<b>West Malaysia</b>	<b>West Malaysia</b>
Tel: +603 5123 8888	Tel: +603 5525 9758		Tel: +604 293 9883	Tel: +607 364 9989

- (c) If Buyer fails to give Atlas Copco proper delivery or transportation instructions when required or to accept delivery of the Goods when tendered in accordance with the terms of the Contract, Buyer shall be liable for all storage and other costs incurred by Atlas Copco as the result of such failure which shall be immediately due and payable on demand, but such liability shall not affect Buyer's obligation to purchase the Goods and the right of Atlas Copco to claim damages for breach of such obligation.
- (d) In the event that the Goods are delivered at a time and place agreed with Buyer but no representative of Buyer is present when the Goods are so delivered Atlas Copco reserves the right to deposit such Goods at the specified place and shall have no liability in respect of loss or damage resulting therefrom.
- (e) If Buyer fails to collect or take delivery of the Goods within 3 months of the delivery date, Atlas Copco shall be entitled, without prejudice to its other rights, to terminate all or part of the Contract and to dispose of the Goods, and to charge Buyer a compensation of (i) 15% of the purchase price for standard Goods and
- (ii) 30% of the purchase price or the cost of materials and labour incurred until the cancellation date, whichever is the highest amount for non-standard Goods, to be paid by Buyer within 30 days of issue of the corresponding invoice. The parties agree that such sums payable to Atlas Copco under this clause are a genuine pre-estimate of the costs and losses which Atlas Copco would suffer from Buyer not taking delivery of the Goods.

**8. Damage in Transit**

- (a) Atlas Copco shall have no liability in respect of Goods lost or damaged in transit unless such loss or damage shall occur prior to delivery; and
  - (i) in the case of a whole consignment failing to arrive, Buyer gives notice in writing to Atlas Copco within 14 days of receipt of Atlas Copco's invoice or dispatch note, or
  - (ii) in any other case, Buyer gives notice in writing to Atlas Copco within seven days of the receipt of the Goods or such longer period as may be stated in the Contract.
- (b) Subject to paragraph (a), Atlas Copco's liability in respect of Goods lost in transit shall be limited to replacing Such Goods and its liability in respect of Goods damaged in transit shall be determined in accordance with Clause 12.

**9. Acceptance**

- (a) Buyer shall not be entitled to reject the Goods or Services unless:
  - (i) within 14 days after delivery or completion or such longer period as may be agreed, Buyer shall have given notice, in writing, to Atlas Copco that the Goods or Services are not in compliance with the Contract,
  - (ii) Buyer shall have provided Atlas Copco with such access to the Goods as it requires and Atlas Copco shall have failed to remedy the defect within 14 days after receipt of Buyer's notice or such longer period as may be stated in the Contract,
  - (iii) the defect materially affects the performance of the Goods, and
  - (iv) the defect is covered by Atlas Copco's warranty in clause 11.
- (b) In the event Buyer rejects the Goods or Services, Atlas Copco shall have no liability to Buyer except for payment of any liquidated damages agreed in the Contract terms and the return of any payments made by Buyer to Atlas Copco in respect of the purchase of the Goods or Services.

**10. Retention of Title and Risk**

- (a) Title to the Goods shall remain in Atlas Copco until payment in full is made by Buyer for all sums due from it to Atlas Copco on any account whatsoever.
- (b) Paragraph (a) of this clause shall not prevent Buyer from embodying the Goods in any product so long as they remain identifiable or from selling the Goods or any product embodying the Goods but, in the event of such supply (to the extent of Buyer's indebtedness to Atlas Copco in respect of the Goods) Buyer:
  - (i) shall hold the proceeds of supply or the right to receive the same on trust for Atlas Copco,
  - (ii) shall place the proceeds of supply in a separate account of Buyer in such a way as to be identifiable as in the beneficial ownership of Atlas Copco, and
  - (iii) at Atlas Copco's request, shall assign the right to receive the proceeds of supply to Atlas Copco.
- (c) The risk in the Goods shall pass to Buyer on delivery.

**11. Warranty**

- (a) Subject to clauses 8 (a) and 9, Atlas Copco shall, at its option, repair, replace or credit Buyer with the whole or a due proportion of the purchase price of any Goods supplied to it by Atlas Copco in respect of which any defect shall arise under conditions of normal and proper use and maintenance (fair wear and tear, and consumables excepted) due to faulty materials or workmanship, provided that (i) the defect becomes apparent within duration of the warranty period (12 months from the date of commissioning or 18 months from the date of delivery, whichever is the earliest unless another warranty period has been agreed) (the duration of the warranty for spare parts is 6 months from the date of delivery) (ii) Buyer gives notice of the defect to Atlas Copco in writing within 14 days after the defect becomes apparent; (iii) the defect is not attributable to misuse, failure to comply with Atlas Copco's instructions regarding storage, operation or maintenance, damage caused by any factors beyond Atlas Copco's control, or fair wear and tear; (iv) the Goods have not been repaired or altered by anyone other than Atlas Copco or at Atlas Copco's direction; (v) in the case of equipment and related components, spares and parts not of Atlas Copco's own manufacture, unless otherwise required by law, Atlas Copco's responsibility shall be limited to passing on to Buyer the benefit of any guarantee or warranty given to Atlas Copco by the manufacturer of such Goods or part; (vi) the defect does not arise from Buyer's specification or instructions; (vii) Buyer provides Atlas Copco with such access to the Goods as it requires or, at Atlas Copco's request, returns the Goods to Atlas Copco for inspection; and (viii) Buyer has used genuine parts i.e. Atlas Copco branded parts fitted by a competent person.
- (b) Atlas Copco shall have no liability to Buyer for any information or advice given to Buyer in connection with the Goods, unless confirmed in writing.
- (c) Except as provided in clauses 8, 9 and 11, Atlas Copco shall have no liability to Buyer in respect of any defect in the Goods, and all conditions and warranties, whether express or implied, as to the quality of the Goods, their fitness for any particular purpose, or their design, manufacture, materials, components, specification and performance are excluded.
- (d) Except as expressly warranted above, Services are provided "as is" and Buyer assumes the entire risk as to the results of the Services.

**12. Limitation of Liability**

- (a) Subject to clauses 8, 9 and 11, the following provisions set out the entire liability of Atlas Copco (including any liability for the acts or omissions of its employees, agents, or sub-contractors) to Buyer in respect of: a) any breach of these Conditions; or (f) any representation, statement or tortious act or omission, including negligence, arising under or in connection with these Conditions.
- (b) Nothing in these Conditions excludes or limits the liability of Atlas Copco for: (i) death or personal injury caused by Atlas Copco's negligence or (ii) fraud or fraudulent misrepresentation or (iii) any other liability that cannot be excluded or limited by law.
- (c) Subject to paragraph (e) below, Atlas Copco shall be liable for physical damage to property to the extent that it results from breach of contract or Atlas Copco's negligence in connection with the performance of the Contract, subject to an overall limit of the amount received by Atlas Copco from Buyer under the Contract.
- (d) Subject to paragraph (e) below, Atlas Copco's liability under the Contract and for negligence arising out of the Contract shall be capped at the amount received under the contract.
- (e) Atlas Copco shall have no liability to Buyer for indirect or consequential losses including loss of profit; (whether direct or indirect), loss of revenue (whether direct or indirect), loss of business; (whether direct or indirect), loss of production (whether direct or indirect).

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- (f) Buyer will indemnify and keep indemnified Atlas Copco from and against any costs, claims, demands, liabilities, damages or losses and all interest, penalties and legal and other professional costs and expenses arising out of or in connection with Buyer's use of Goods or Buyer supplying Goods to any party who is not a party to these Conditions and the Goods' subsequent use. This indemnity shall cover (but is not limited to) Atlas Copco's liability to third parties arising out of the use or supply of the Goods, except to the extent caused by Atlas Copco's negligence.
- 13. Returns**  
Returns of Goods not affected by defects will only be accepted by Atlas Copco from Buyer with the prior agreement of Atlas Copco in writing. All items which are accepted as returns will be subject to a handling charge, and must be forwarded to Atlas Copco's head office in Kota Kemuning at Buyer's expense.
- 14. Force Majeure**  
Notwithstanding the provisions of any other term of the Contract, a party shall not be regarded as in breach thereof to the extent that such party is prevented from or hindered in fulfilling its obligations by any circumstances outside its reasonable control (including strikes, lockouts, shortages of materials, delays in transportation or governmental regulations) provided that such party shall have given written notice to the other party of such circumstances within a reasonable time after learning of them. In the event of such delay, the date of shipment or performance shall, at the request of Atlas Copco, be deferred for a period equal to the time lost by reason of the delay and otherwise for a reasonable time. If such circumstances shall continue to prevent or hinder the performance of the Contract by such party for more than three months then the other party may by written notice terminate the Contract with regard to the unperformed portion thereof.
- 15. Termination**
- (a) If Buyer is subject to any act of bankruptcy or, being a company, has a receiver appointed or an administration order made against it or goes into liquidation or if a similar event occurs under applicable insolvency laws (except for the purpose of reconstruction or amalgamation) then all sums due to Atlas Copco under the Contract shall immediately become due and payable and Atlas Copco may, notwithstanding any previous waiver, terminate the Contract forthwith by written notice and Atlas Copco without prejudice to its other rights under these Conditions, shall be entitled to enter upon any land or premises where the Goods or any product embodying the Goods may be for the time being, to detach the Goods if so embodied and to recover possession of them.
- (b) Atlas Copco may terminate the Contract with immediate effect in the event of a failure by Buyer to comply with any material provision of the Contract if the failure continues for more than 14 days after Buyer has been given written notice to remedy the breach.
- (c) If Buyer fails to collect or take delivery of the Goods within 3 months of the Delivery Date, Atlas Copco shall be entitled, without prejudice to its other rights, to terminate all or part of the Contract and to dispose of the Goods, and to charge Buyer a compensation of 15% of the Purchase Price (standard goods) or 30% of the Purchase Price (non-standard goods), to be paid by Buyer within 30 days of issuance of the corresponding invoice. The parties agree that such sums payable to Atlas Copco under this clause are a genuine pre-estimate of the costs and losses which Atlas Copco would suffer from Buyer not taking delivery of the Goods.
- (d) Termination shall be without prejudice to any prior right of either party or any provisions (including but not limited to clauses 3, 12 and 16 which by nature shall survive termination)
- 16. Governing law and Jurisdiction**
- (a) The Contract shall in all respects be governed by and construed in accordance with the law of Malaysia.
- (b) Buyer and Atlas Copco agree that the courts of Malaysia shall have the exclusive jurisdiction to settle any disputes, which may arise in connection with the Contract.
- (c) Atlas Copco shall have the option to bring suit before the courts of the domicile of Buyer when the claim is for or related to payments due by Buyer.
- 17. Miscellaneous**
- (a) Buyer may neither assign nor transfer nor deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of Atlas Copco.
- (b) Save as expressly provided, no term or provision of these Conditions shall be enforceable by a third party (being any person other than the parties and their permitted successors and assignees).
- (c) No waiver by either party of any breach of any of these Conditions by the other party shall be deemed to constitute a waiver of any other breach nor shall any delay or omission on the part of either party to exercise or avail itself of any right or remedy hereunder operate as a waiver thereof. A waiver given by a party hereunder shall be binding upon such party only if in writing and signed by such party.
- (d) In the event that any term or provision of the Contract is declared null and void or unenforceable by any court of competent jurisdiction, the remainder of the provisions of these Conditions shall remain in full force and effect to the fullest extent permitted by applicable law.
- (e) Buyer hereby acknowledges that relevant safety and training literature relating to the Goods will be supplied by Atlas Copco to Buyer free of charge and may be photocopied by Buyer as required. Buyer shall be fully responsible for the implementation of the contents of all safety and training literature provided by Atlas Copco. Buyer shall ensure persons who use, maintain or otherwise handle the Goods receive adequate safety and training literature.
- (f) Buyer shall comply at all times with Atlas Copco's Business Code of Practice which can be found at <http://www.atlascopcogroup.com/en/sustainability/our-sustainability-approach/our-business-code-of-practice> and with all applicable laws, statutes and regulations, in particular those related to anti-bribery and anti-corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009 as amended from time to time. Failure to comply with this paragraph (f) shall constitute a material breach which will entitle Atlas Copco to terminate the Contract immediately.

We, the Buyer hereby agree and accept the terms and conditions aforesaid.

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