



PURCHASE ORDER TERMS AND CONDITIONS
For the purchase of products and services by Cummins Sales and Service Sdn. Bhd.

PRECEDENCE If there is a conflict between these terms, the information on the face of this PO, or any attachments to the PO, the terms on the face of the PO shall take precedence over these terms, and these terms shall take precedence over any other attachment. If the PO is issued in conjunction with a detailed contract between the parties, the terms of the contract will take precedence over all other terms.

1. GENERAL

1.1 As used in this document, the term "Purchase Order" or "PO" refers to the hardcopy or electronic form for designating the Supplier, the Supplies and other terms of transaction plus these Terms and Conditions and any other terms that are attached or incorporated by reference. "Cummins" means Cummins Sales and Service Sdn. Bhd., its subsidiaries and related corporations; "Supplier" means the supplier or seller identified on the face of this PO and its agents and representatives; "Specifications" means all applicable blueprints, product specifications, the provisions on the face of this PO and any attachments to it; "Supplies" designates raw materials, components, intermediate assemblies, equipment and other supplies including indirect materials, technical data, drawings, or services to be furnished by Supplier to Cummins for this PO.

1.2 This PO shall be construed as an offer to purchase the Supplies on the terms contained herein. The contract resulting from the acceptance of this order is to be construed according to the laws of Malaysia. This PO is not assignable by Supplier in whole or in part. Any dispute shall be adjudicated in the courts of Malaysia.

1.3 Unless expressly set forth below, Cummins is not subject to a minimum term of supply or a minimum volume expressed in any quotation or any other document sent or previously exchanged between Cummins and Supplier.

1.4 In the event of a direct purchase wherein the contract amount is \$1M SGD or above, a Direct Supply Agreement (DSA) if deemed necessary by Cummins shall be executed. Such DSA shall govern and take precedence over this PO terms and conditions.

2. CONTROLLING TERMS

This PO is expressly limited to the terms and Specifications contained herein. This PO is an offer to purchase the goods and/or services set forth herein and any preceding offer or quotation of Supplier for alternative or modified terms and Specifications is (a) rejected and (b) expressly made conditional on Supplier's acceptance of the Specification and terms hereof. Supplier accepts the Specifications and terms by acknowledging or confirming this order, or commencing work on or shipping Supplies covered by this PO.

3. PRICES AND INVOICING

3.1 Prices shown on the face of this PO shall include taxes (but shall exclude Sales and Service Tax) and may not be increased without prior written authorization by the relevant Cummins Sales and Service Sdn Bhd.

3.2 Unless authorized by Cummins, Supplier agrees to issue no more than one invoice to cover all shipments made on any day.

3.3 Payment terms are net 90 (ninety) days unless otherwise noted on the face of the PO.

4. DELIVERY

4.1 Deliveries are to be made in quantities and at times specified on the face hereof or, if not so specified, then as set forth on delivery schedules furnished by Cummins. Delivery shall be made FOB Cummins location that is delivered to Cummins point of use, freight pre-paid, unless otherwise stipulated on the face of the Purchase Order. Time for delivery shall be of the essence of the contract period. Delivery shall be FIS (as defined in INCOTERMS 2010) and title to Supplies shall pass to Cummins on delivery.

4.2 Supplier shall, upon Cummins' request, suspend shipment and delivery of Supplies to be furnished hereunder as Cummins may request.

4.3 Goods shipped must be as specified and no substitutes or changes are to be made without Cummins written permission. Any excess deliveries will be subject to return at the supplier's expense.

4.4 A full set of documents are to be rendered for each shipment and forwarded only to Cummins on the day of shipment. Bills of Lading must be forwarded under separate registered mail. All invoices and shipping documents must show the Purchase Order number as set out herein. Any loss of profits, bonding or wharf charges or consequential damages arising from not adhering to these and the following shall be payable by the Supplier. For Domestic Shipments or Deliveries, invoices (Original only), delivery dockets and/or shipping specifications (in triplicate) are required. Invoices are to be mailed to the invoicing address shown on this Purchase Order and not enclosed with goods supplied. For Foreign Shipments, Custom Invoices, Bills of Lading and Shipping specifications in quadruplicate, the whole properly completed and certified in accordance with Malaysia Customs Regulations.

5. QUALITY OF SUPPLIES

5.1 Supplier warrants that all Supplies will conform to the Specifications and/or samples furnished in connection with this PO, and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defect. Supplier's warranties shall survive Cummins acceptance of, inspection of, and payment for the Supplies. Where



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the Supplies include services, the Supplier warrants that the services will be provided in a timely, diligent, efficient and skilful manner.

5.2 Supplier shall notify Cummins immediately prior to the acceptance of this PO if Supplier cannot satisfy the Specifications, terms or the delivery schedule of this PO.

5.3 Supplier acknowledges and undertakes that it shall:

- (a) be wholly and solely liable for the supervision of the performance of the services; and
- (b) engage appropriately qualified and experienced personnel to perform such supervision.

5.4 Supplier further undertakes to ensure, all equipment used in relation to the Supplies are appropriate, in good working condition and certified in accordance with all applicable industry standards.

5.5 Supplier undertakes that it will ensure all appropriate safety measures are in place such as but not limited to the following: a traffic management plan, emergency preparedness plan, hazard and risk assessment, and risk control measures.

5.6 If Supplier fails to provide assurance of performance of the above-mentioned undertakings to Cummins' satisfaction, Cummins may terminate this agreement forthwith without incurring any liability.

6. DISPOSITION OF REJECTED MATERIAL

With respect to any Supplies not in conformity with the requirements of this PO, Cummins shall have the right, at its option, to reject such Supplies and require Supplier to repair, replace or re-perform such Supplies or services immediately after notification at the Supplier's sole cost and expense. If such notification is not in writing, it shall be confirmed in writing.

7. PACKING, SHIPPING, AND STORAGE

Supplier shall, at his expense, package and preserve the Supplies in such a manner that they will arrive at the designated delivery point free from damage and in such a condition as to permit reasonable handling and six months' storage under normal environmental conditions without detrimental effects on the Supplies.

8. CANCELLATION

8.1 Subject to Clause 8.2, Cummins may cancel this PO or any part thereof at any time upon written notice to Supplier without liability except for payment to Supplier of the cost of work in process and material commitments made within the time specified on the face hereof or, if no time is specified, then within two weeks of the date of cancellation.

8.2 Notwithstanding the foregoing, Cummins may cancel this PO without liability or cancellation charges in the event of any causes beyond its control, such as, but not limited to, flood, drought, fire, war, riot, acts of terrorism, Acts of God or acts or demands of any governmental authority.

9. CHANGES

Cummins may at any time, by written instructions or verbal instructions confirmed in writing to Supplier, make changes in the work to be performed or the items to be furnished hereunder in any one or more of the following: (i) Specifications; (ii) method of shipment or packing, (iii) time and/or place of delivery; and (iv) the quantity of items ordered. Supplier shall notify Cummins within fourteen days of notification of such changes of any proposed differences in price, quality or delivery. Such proposed changes shall be subject to approval by Cummins.

10. INTELLECTUAL PROPERTY

10.1 Supplier warrants that the Supplies specified herein (and their sale or use, alone or as a significant element of a combination) will not infringe any patents, copyrights, trade names, trade secrets or other intellectual property; and agrees to indemnify and hold harmless Cummins and anyone selling or using any of Cummins' products against all judgments, decrees, damages, claims costs, and expenses resulting from any alleged infringement, and agrees that Supplier shall, upon request of Cummins and at Supplier's own expense, defend or assist if the defence of any action which may be brought against Cummins or those selling or using any of Cummins' products by reason of any such alleged infringement.

10.2 Any inventions, discoveries, patents, copyrights, trade names, trade secrets, mask works or other intellectual property rights created in the performance of this PO shall be the sole property of Cummins and Supplier shall do all things requested by Cummins to transfer the ownership thereof and to perfect the same.

11. DESIGN AND INFORMATION

It is understood that any article made according to a design specified by Cummins (not previously a standard commercial design of Supplier) will not be furnished by Supplier to any other person, firm, or corporation. It is recognized that Supplier will have access to certain confidential information of Cummins and, therefore, Supplier agrees not to divulge to anyone or permit to disclose to anyone the confidential information of Cummins, nor use for its own benefit, any such information including drawings or other documentary information of a confidential nature.



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12. REMEDIES

The remedies herein reserved shall be cumulative and in addition to any other or further remedies provided in law or equity. No waiver of a breach of any provision of this PO shall constitute a waiver of any other breach, or of such provision on the future occasion.

13. INDEMNITY, INSURANCE & LIMITATION OF LIABILITY

Supplier agrees to indemnify and protect Cummins against all liabilities, claims, or demands for injuries or damages to any person or property arising out of the Supplies or performance of this PO by Supplier, its servants, employees, agents or representatives.

Supplier further agrees to abide by the insurance requirements set out in Annex A below and to procure that its subcontractors shall similarly abide by the same unless expressly waived in writing.

Supplier also agrees to furnish Cummins, certificates from appropriate governmental agencies and insurance companies, upon request by Cummins, showing that Supplier has adequate worker's Compensation coverage.

In no event shall Cummins be liable for any indirect, consequential, economic or financial losses or incidental damages, however caused and howsoever arising in any way out of this agreement.

14. ADVERTISING OR USE OF NAME "CUMMINS"

Supplier shall not use or permit the use of the word "Cummins" or any similar word or any trademarks of Cummins in description of or in the marketing of products produced by Supplier, or in any manner advertise or publish the fact that Supplier has contracted to furnish Supplies pursuant to this PO or any PO with Cummins.

15. SUPPLIER'S INSOLVENCY

If Supplier ceases to conduct operations in the normal course of business or becomes unable to meet its obligations as they mature, if any bankruptcy or insolvency proceeding is brought by or against Supplier, if a receiver, administrative receiver, liquidator or similar is appointed or applied for, if Supplier makes an assignment for the benefit of creditors, or if Cummins reasonably believes Supplier may be unable to complete this PO, Cummins may demand adequate written assurance of performance or, at its option, terminate this PO, in whole or in part, without liability except for Supplies previously delivered to and accepted by Cummins. If Supplier fails to provide written assurance of performance, Cummins may terminate this agreement.

16. COMPLIANCE WITH LAWS

16.1 The Supplier agrees to comply with all applicable governmental laws, regulations and rules applicable to Supplies furnished under this PO, including without limitation the US Foreign Corrupt Practices Act the U.K. Anti-terrorism, Crime and Security Act 2001 or any similar anti-corruption legislation and all US Export Regulations (and any national, EU or United Nations embargoes or restrictions). In this connection, the Supplier further agrees to indemnify, defend and hold Cummins harmless from and against any liability arising from a breach of the same and agrees to defend at its expense any action brought against Cummins.

16.2 The Supplier agrees to comply with Cummins' Supplier Code of Conduct as notified to the Supplier on or prior to the date of acceptance of these Supplier Terms and Conditions. Cummins may vary the Supplier Code of Conduct from time to time with the variation becoming effective as soon as Cummins provides the Supplier with notice of the variation ("Variation Date"). Any variation to these Supplier Code of Conduct will only apply to, and in respect of, any PO provided after the Variation Date and the parties acknowledge that nothing in this agreement requires the Supplier to accept any further PO after the Variation Date. Subject to this clause, the Supplier undertakes to sign and return to Cummins a copy of the Supplier Code of Conduct response form which requires the Supplier to comply with the applicable laws and Cummins' Supplier Code of Conduct.

16.3 If requested by Cummins, Supplier agrees to give Cummins or its authorized representative access to all pertinent documents, a complete supply chain map (to include but not limited to a bill of material for all Products, a list of the names and addresses of Supplier's tier 1 and sub-tier suppliers (collectively "Sub-tier Suppliers"), and what bill of material inputs/components/raw materials the Sub-tier Suppliers' supply), data and other information relating to the Supplies, and to view any facility or process relating to the Supplies.

17. MISCELLANEOUS

17.1 Force Majeure. Neither party shall be liable to the other for failure to perform its obligation under this PO when performance is prevented by flood, drought, fire, war, riot, acts of terrorism, acts of God or Governments. During the



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Supplier's inability to supply the Supplies, Cummins may, its option, procure such Supplies from other suppliers but will revert to the PO once the element of Force Majeure has been overcome.

17.2 Cummins may set off any amounts due to Supplier under this PO against amounts owed by Supplier to Cummins for any reason.

17.3 If requested by Cummins, Supplier agrees to give Cummins or its authorized representative's access to all pertinent documents, data and other information relating to the Supplies, and to view any facility or process relating to the Supplies.

17.4 Notice. Any notice required to be made hereunder to Cummins shall be made to: Cummins Sales And Service Sdn Bhd, General Manager, No 1, Jalan Industri PBP 13, Taman Industri, Pusat Bandar Puchong, 47100 Puchong, Malaysia unless a different address is specified on the face of the PO. Any such notice to the Supplier shall be to the address shown on the face of the PO.

17.5 Cummins expects Supplier to actively pursue sourcing of materials and services from minority owned and small disadvantaged businesses. Cummins reserves the right to periodically meet with Supplier's purchasing department to review minority sourcing programs and results.

17.6 Supplier agrees to comply with the International Financial Reporting Standards (IFRS), and if requested to by Cummins, Supplier will comply with and assist Cummins as reasonably necessary in its compliance with the requirements of the Sarbanes-Oxley statute and related regulations.

17.7 The contra proferentum rule shall not apply to this Agreement.

17.8 If the Contract or any of its provisions is or is held to be illegal, invalid or unenforceable in any jurisdiction, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the Contract or such provision in any other jurisdiction or the legality, validity or enforceability of any other provision of the Contract in this or any other jurisdiction.

18. ENVIRONMENTAL

The Supplier agrees to conform to the Cummins Environmental Policy and to the procedural requirements associated with the Cummins Environmental Management System. The Supplier shall ensure it has an understanding of its obligations under the Cummins Environmental Management System and assumes responsibility for the consequences of departing from specified procedures. To obtain further information, contact the site Environmental Manager.

19. ADMINISTRATIVE

19.1 Original packing slip must accompany material. PO number, department number, and receiving location code must appear on all invoices, shipping notices, bills of lading, express receipts, packing and packing slips.

19.2 All invoices covering material listed below must refer to this PO number, including the suffix. Only one PO number is to be referenced on the invoice.

19.3 Material shipped from other than Supplier's stock must plainly show Cummins PO number and Supplier's name on packing slips and shipping tags.

19.4 Mexican and Canadian suppliers of goods who provide greater than \$100,000 per year to Cummins, must provide a NAFTA certificate to Cummins Inc. Manager International Materials and Logistics, Mail code 60216, Box 3005, Columbus IN 47202-3005

19.5 This PO is deemed closed upon receipt of the Supplies or services described herein or one (1) calendar year from the date placed, whichever occurs first, unless otherwise stipulated on the face of this order. The foregoing notwithstanding, those terms which by their nature are intended to survive the delivery of the Supplies under the PO shall survive.

19.6 The Supplier shall at all times comply with any legislation, regulations or by-laws, common law, requirements, consents or guidelines relating to occupational health and safety of persons and environmental protection".

20. WARRANTIES

20.1 In the event the goods are defective while under warranty, the Supplier will replace or repair the defective goods at Cummins' option. Warranties against defects are provided by the Supplier as detailed below.

20.2 The Suppliers' goods come with guarantees that cannot be excluded under Malaysia Law. Cummins is entitled to a replacement or refund for a major failure and for compensation for any other reasonably foreseeable loss or damage. Cummins is also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure. This warranty is in addition to other rights and remedies available to Cummins under the law.

21. TEST CERTIFICATES

21.1 If so stated on the face of this Purchase Order or any Attachments thereto Test Certificates for material and equipment supplied under this Purchase Order must be forwarded to the Purchaser upon completion of testing or upon request of such certificates from Suppliers.

22. SITE WORK AND SERVICES



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22.1 Invoices for site work and service must be accompanied by a schedule of 'work completed on site' certified by Cummins engineer or authorized representative.

22.2 Progress payments will not be made unless specified in the Purchase Order.

22.3 Evidence of the Supplier's current Workers Compensation insurance policy covering personnel involved in site work and service and an adequate Public Liability insurance policy issued by a reputable insurer must be supplied with the acceptance of the Purchase Order and the Supplier shall indemnify and keep indemnified the Purchaser and hold it harmless against all actions, suits, claims, proceedings, costs and expenses whatsoever arising there from. Any Supplier that enters the Purchaser's site must comply with the Purchaser's OH & S Requirements as well as complying with Malaysia legislation, codes and/or guidelines on Safety Standards.

23. CUMMINS POLICIES

23.1 Cummins requires Supplier to comply with the following policies which are incorporated by reference:

- (i) Cummins Supplier Code of Conduct
- (ii) Cummins Corporate Environmental Policy and Environmental Standards
- (iii) Cummins Supplier Handbook
- (iv) Cummins Green Supply Chain Principles
- (v) Restriction of Prohibited Materials

23.2 Link to access these policies: <https://supplier.cummins.com>

23.3 The Supplier agrees to comply with Cummins' Supplier Code of Conduct as notified to the Supplier on or prior to the date of acceptance of these Supplier Terms and Conditions. Cummins may vary the Supplier Code of Conduct from time to time with the variation becoming effective as soon as Cummins provides the Supplier with notice of the variation ("Variation Date"). Any variation to these Supplier Code of Conduct will only apply to, and in respect of, any PO provided after the Variation Date and the parties acknowledge that nothing in this agreement requires the Supplier to accept any further PO after the Variation Date. Subject to this clause, the Supplier undertakes to sign and return to Cummins a copy of the Supplier Code of Conduct response form which requires the Supplier to comply with the applicable laws and Cummins' Supplier Code of Conduct.

23.4 If requested by Cummins, and to the extent as allowed by law, Supplier agrees to give Cummins or its authorized representative access to all pertinent documents, a complete supply chain map (to include but not limited to a bill of material for all Products, a list of the names and addresses of Supplier's tier 1 and sub-tier suppliers (collectively "Sub-tier Suppliers"), and what bill of material inputs/components/raw materials the Sub-tier Suppliers' supply), data and other information relating to the Supplies, and to view any facility or process relating to the Supplies.

Supplier Name in Full:

Phone Number:

Registered Address of Supplier:

Supplier Registration Number:

Supplier Representative: Printed Name:

Job Title:

Supplier Representative: Signature:

Date:

SUPPLIER BANK DETAILS (for payment of invoices)

Bank Institution:

Account Name:

Account #



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Annex A (Insurance Requirements)

During the entire term of SUPPLIER's provision of Services and Products to CUMMINS, SUPPLIER shall agree that:

1. SUPPLIER shall maintain or cause to be maintained, at a minimum and in addition to any insurance required by statute with insurers authorized to operate in the jurisdiction where the work is to be performed and carrying a financial strength rating by Standard & Poor's of no less than A- (or a similar rating from an equivalent recognized ratings agency), the following types of insurance that will support the indemnities of this Agreement with limits no less than the amounts indicated:
 - 1.1 Third Party/Public Liability Insurance including Products, Operations and Completed Operations coverages.
 - 1.1.1 Contracts less than \$5M USD – with limits of not less than \$200,000 USD or local equivalent each and every occurrence.
 - 1.1.2 Contracts from \$5M to less than \$10M USD – with limits of not less than \$400,000 USD or local equivalent each and every occurrence.
 - 1.1.3 Contracts from \$10M to less than \$20M USD – with limits of not less than \$500,000 USD or local equivalent each and every occurrence.
 - 1.1.4 Contracts \$20M USD and above – with limits of not less than \$1,000,000 USD or local equivalent each and every occurrence.
 - 1.2 Motor Third Party Liability Insurance – with limits as required by law.
 - 1.3 Worker's Compensation Insurance – Workman Insurance and Compensation Act or such other relevant and applicable statute
 - 1.4 Umbrella/Excess Liability Insurance – in excess of Third Party/Public Liability and Motor Third Party Liability with limits as follows:
 - 1.4.1 Contracts greater than \$100M USD – with limits of not less than \$5,000,000USD or local equivalent limit.
2. SUPPLIER shall waive and cause its insurers under the above policies to waive for the benefit of CUMMINS any right of recovery or subrogation which the insurer may have or acquire against CUMMINS or any of its affiliates, or its or their employees, officers or directors for payments made or to be made under such policies.
3. SUPPLIER agrees to add CUMMINS as an additional insured (not co-insured) or to schedule CUMMINS on Indemnity to Principals clause under each of the above policies, except Workers' Compensation.
4. SUPPLIER shall ensure that each of the policies above are endorsed to provide that they are primary without right of contribution from CUMMINS or any insurance otherwise maintained by CUMMINS, and not in excess of any insurance issued to CUMMINS.
5. SUPPLIER shall ensure that each of the policies above (excluding workers' compensation) are endorsed to state that the inclusion of more than one insured under such insurance policy shall not operate to impair the rights of one insured against another insured and that the coverage afforded by each insurance policy shall apply as though a separate policy had been issued to each insured.
6. SUPPLIER agrees to provide CUMMINS at least thirty (30) days notice of cancellation of and/or any material changes in the above listed coverage.
7. SUPPLIER shall, prior to contract inception, work commencement and/or entry upon CUMMINS' premises, deliver Certificates of Insurance confirming the above listed minimum insurance requirements to:



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Attn: Cummins Finance Manager
Cummins Sales and Service Sdn Bhd (Company No. 100r5452-M)
No 1, Jalan Industri PBP 13,
Taman Industri,
Pusat Bandar Puchong,
47100 Puchong, Malaysia
Phone: 03-80678888

8. SUPPLIER agrees that any dispute that arises between SUPPLIER and the insuring agent regarding coverage relating to work performed under this Agreement shall solely be a dispute between the SUPPLIER and the insuring agent or insurance company and shall be resolved by the SUPPLIER and the insuring agent or insurance company. SUPPLIER agrees that any dispute and associated costs, including attorneys' fees, regarding insurance coverage pursuant to the terms of this Agreement shall be the sole responsibility of the SUPPLIER. Any damage to property, personal injury, or other injury or damage will be covered by the SUPPLIER in the event that a dispute develops or coverage required by the terms of this Agreement is denied. The insurance requirements of this article do not reduce the liability that would otherwise arise under this contract.
9. SUPPLIER shall require any of its sub-contractors to carry the types of coverage and in the minimum amounts in accordance with the requirements set out herein. SUPPLIER shall be responsible for any damage or loss suffered by Cummins as a result of non-compliance by SUPPLIER or any sub-contractor with this Section.