



KUSGRP General Terms And Conditions

1. Scope

Each supplier ("Supplier") of materials and/ or products and services to K.U.S Group of Company (together with its subsidiaries "KUSGRP") is required to accept the following Terms and Conditions ("Terms and Conditions"). These Terms and Conditions set forth general terms and shall form part of KUSGRP's Purchase Order (PO) or contract. No proposal shall be accepted to add or change any provision of these Terms and Conditions, whether in Supplier's acceptance document(s), invoices, bills of lading, general terms and conditions of sale, proposals, or other documents from any Supplier, unless it is signed in writing by the authorized representative of KUSGRP.

2. Acceptance of the Purchase Order

2.1 Formal acceptance by the Supplier of the Purchase Order shall be made through the issuance of a pro forma invoice, together with the Purchase Order number and other necessary details thereof, in favor of KUSGRP, within twenty-four hours (24) hours from receipt thereof.

2.2 By formally accepting the Purchase Order, the Supplier acknowledges and agrees that:

- a. It has received all necessary information for the execution of the Purchase Order, and after having considered all constraints, hereby acknowledges its ability to deliver the orders in conformity with the Purchase Order, best standards, and good practice.
- b. Its proper and timely performance of its obligations is of the paramount importance to KUSGRP.
- c. It declares itself to be an expert thereon and agrees to be bound by the obligation to deliver and perform its obligations in a proper and timely manner.

3. Cancellation and Termination

3.1 Once formally accepted by the Supplier, the Purchase Order may no longer be cancelled by the Supplier. Unless, if there is a reasonable ground or due to Force Majeure as mentioned in the succeeding paragraph. Similarly, KUSGRP may cancel Purchase Order in case there are express violation of Supplier to the Terms and Conditions and other requirements as provided.

3.2 KUSGRP reserves the right to cancel the Purchase Order should the Supplier fails to deliver on time or as specified, or those as mentioned above, including violation of warranties. KUSGRP will be serving a notice thereof in writing against the Supplier with immediate effect.

3.3 In the event of cancellation by Supplier not by Force Majeure, failure of the Supplier to deliver on time or as specified, or breach by the Supplier of any of the terms and conditions of the Purchase Order, the Supplier shall pay damages representing thirty percent (30%) of the price of the Purchase Price to compensate KUSGRP for losses arising in the connection with the cancellation or breach.

3.4 KUSGRP has, at any time, the right to terminate the Purchase Order, in whole or in part, without any compensation whatsoever for the Supplier if the Supplier is in default of its obligations due under the Purchase Order, the Supplier becomes bankrupt or is otherwise in such financial situation that, in KUSGRP's opinion, the Supplier cannot perform its obligations.

Partial or whole termination shall be automatic without prejudice to KUSGRP's right to be compensated for any loss or damage incurred as a consequence of such termination. KUSGRP shall have the right to engage the services of other suppliers to remedy the breach and/or default of the Supplier which shall be for the sole account of the latter. The Supplier hereby authorizes KUSGRP to deduct from any amount payable to it KUSGRP the value of the costs KUSGRP may incur in engaging other suppliers. If there is none or the amount payable is not enough, the Supplier shall refund the amount to KUSGRP

3.5 Unless provided otherwise in the Specific Conditions, in case the contract between KUSGRP and its customer is suspended or terminated for any reason whatsoever, KUSGRP is entitled to suspend or terminate the Purchase Order subject to prior written notice to the Supplier. In such circumstances, and except if the Supplier is at fault or is negligent, the Supplier shall be paid for the part of the products that has been delivered or works that have been performed to and qualitatively accepted by KUSGRP up to before KUSGRP's notice.

3.6 Force Majeure that would render the execution of the Purchase Order impossible or illegal shall immediately be notified in writing and with supporting evidence by party invoking a Force Majeure to the other party. The affected



Party shall mitigate the consequences of the Force Majeure event with the diligence of a good father of a family to prevent any further damage to the other Party.

3.7 Force majeure, if duly justified and notified to the other Party, suspends the Parties' obligations under the Purchase Order.

3.8 Strikes or labor disputes for and against the Supplier shall not be considered a Force Majeure event, Supplier is not allowed to terminate or cancel any Purchase Order. Supplier must provide alternate solution in case this matter might arise. KUSGRP has the right to accept or decline any alternative solutions provided.

4. Quality

Refer to "Quality requirement"

5. Delivery and shipping

Refer to "Delivery requirement"

6. Packaging

Refer to "Packaging requirement"

7. Price and Payment Terms

7.1 Purchase Order prices are based on Incoterm agreed upon by both parties.

7.2 All commercial invoices shall contain, at the very least, the following details KURGRP PO number and date, bank account information of the Supplier, product description, price, quantities, incoterm, and the payment terms as agreed upon.

7.3 KUSGRP shall pay the Supplier's invoices based on the agreed payment terms and conditions as reflected in the Purchase Order.

7.4 The Supplier shall not be allowed to invoice for any additional orders or products not referred to or forming part of the Purchase Order, unless agreed to in writing by KUSGRP.

8. Warranty

8.1 The Supplier warrants that the products shall:

- a. Conform as to quantity, quality, description, and specifications with the particulars reflected in the relevant Purchase Order, drawings, and or any adjustment as aligned and agreed by the Supplier and KUSGRP through any means of communication.
- b. Be of good quality materials and workmanship.
- c. Be free from defects in material, workmanship, and design.
- d. Be fit for the purpose indicated in the Purchase Order & in accordance with the specifications relayed.

8.2 If supplier failed to observe the warranty as above stated, the Supplier shall be liable to any damages or liabilities for its failure to comply and observe with the warranty undertaken. KUSGRP is not precluded to take any legal action that may possibly rise due to Supplier's non-compliance and non-observance of warranty.

8.3 KUSGRP is not precluded to inform and request for replacement all the defective products received in the warehouse regardless of the batch of each order.

8.4 If after the inspection, the actual measurement of products supplied was inaccurate, the same shall be brought to the attention of the Supplier and the same shall be replaced by the Supplier.

9. Risk of Loss

Supplier shall ensure that the number of products as stated in the Purchase order is being delivered. Supplier shall bear the risk of any loss or stolen goods, even until it reached KUSGRP's warehouse, if it will be later on discovered that the loss happened from supplier's warehouse to departure port and/ or during the voyage.

10. Work on KUSGRP Property



10.1 If it is necessary for supplier or its agents to work on KUSGRP property for products or service as required by PO or agreement, Suppliers must ensure that their personnel assigned to perform work on KUSGRP property act in a professional and respectful manner, keeping the workplace free from any type of harms. They shall follow KUSGRP's requirements. Supplier will take sole responsibility on their activity, behavior and any damages or cost caused by it.

10.2 Any agent or worker who will work at KUSGRP property shall not form any employer-employee relationship with KUSGRP.

10.3 Any salary or remuneration of the agent or worker shall be paid solely by the Supplier.

11. Changing of company information

Supplier shall inform KUSGRP immediately for any change in the company information through email and whatsapp/wechat, and must validate the same to avoid third-party intervention and risk of scam. Supplier must at all times validate directly to KUSGRP Personnel if any other information, whether significant or not, is being requested. KUSGRP is not liable to any damages the Supplier may encounter by reason of their failure to validate.

12. Confidentiality

12.1 Supplier shall treat all information provided by KUSGRP as confidential and shall not disclose it to any other party.

12.2 Confidential information includes but not limited to technical data, drawings, improvements on product design and manufacturing process, supplier's price, quotation, trade information, personal information, PO, agreements, quantities etc.

12.3 Supplier shall inform KUSGRP immediately if they found confidential information has been disclosed to third party.

12.4 Upon the acceptance of this general terms and condition, this confidentiality terms will serve as the "*Non-Disclosure Agreement*" between the parties, should there be no other documents executed in relation to any disclosure of information. KUSGRP reserves the right to require the Supplier to sign a separate "Non-Disclosure Agreement". If a separate "Non-Disclosure Agreement" has been executed by the parties, the said "Non-Disclosure Agreement" shall prevail over this "Confidentiality" term.

13. Fair trade

13.1 Suppliers shall respect and comply with applicable competition laws and regulations, including an obligation not to exchange commercially sensitive and strategic information with competitors or to enter into anti-competitive agreements with any business partner.

13.2 Suppliers are prohibited from asking KUSGRP employees for another supplier's price or any other sensitive contractual information.

13.3 Any attempt or deliberate act of soliciting KUSGRP's end user shall not preclude KUSGRP to take any necessary measure to enforce action.

14. Assets and Intellectual Property Ownership.

14.1 Product samples, production equipment, tools, moulds, materials, product drawings, quality requirement sheet, agreement template, etc. that provided to supplier by KUSGRP, is the property of KUSGRP. Supplier shall safeguard and respect KUSGRP's intellectual property rights.

14.2 All KUSGRP's assets and intellectual property shall only be used for the designed purpose.

14.3 Supplier must not use the name, logo, trademarks of KUSGRP in any marketing or promotional material, customer lists, advertising, whether written or oral, without obtaining KUSGRP's prior permission.

15. Anti-bribery

Supplier and its staff shall not engage in any bribery or other corrupt or unlawful practices to advance supplier's interest. Supplier and its staff must not offer any form of bribes or giving anything of value to KUSGRP employees.

Violation of this policy whether by any staff or Management of the Supplier shall be considered as an act of the Supplier. The Supplier who violates the said policy shall be blacklisted.



please refer to KUS anti-bribery letter for details.

16. Revision

KUSGRP has the right to revise this “Terms and Conditions” and all other requirements as above-mentioned and required by KUSGRP, when it is necessary and without any notice to all suppliers.

17. Liabilities

Supplier shall be liable to all the damages it may incur by reason of its violation of any provision of, Packaging, Delivery and Quality requirements.

18. Insurance

All Suppliers are expected to secure their respective insurance policy (Marine Policy or others) which they find necessary, for the protection of the goods to be delivered or costs which may incur during the shipment and delivery.

Updated: 30/01/2023