

BRIDGESTONE ENGINEERED PRODUCTS OF ASIA SDN BHD (Company No. 364273-M) CONDITIONS OF SALE

ORDERS ARE ACCEPTED ONLY ON THE FOLLOWING TERMS AND CONDITIONS
UNLESS OTHERWISE AGREED IN WRITING

GENERAL TERMS AND CONDITIONS

GENERAL

These terms and conditions (the "Terms and Conditions") form an integral part of all quotations and offers made by Bridgestone Engineered Products of Asia Sdn Bhd. (Company No.364273-M) ("BSEA" or "Seller"), and apply to all acceptances, acknowledgements and confirmations by BSEA of any orders by its customer ("Buyer") and any agreements ("Agreement(s)") regarding the sale by BSEA and purchase by Buyer of goods and services ("Goods"), unless and to the extent BSEA explicitly agrees otherwise in writing.

Any terms and conditions set forth on any orders or any other documents issued by Buyer that contradict to or are in conflict with these Terms and Conditions are hereby explicitly rejected and disregarded by BSEA, and such terms and conditions shall be wholly inapplicable to any Agreements or sale made by BSEA to Buyer and shall not be binding in any way on BSEA.

AMENDMENT AND MODIFICATION

These Terms and Conditions and Agreements may not be amended or modified except by an instrument in writing signed by each of the parties and expressly referring to these Terms and Conditions and Agreements. To the extent not expressly amended or modified hereby, these Terms and Conditions and Agreements shall remain in full force and effect.

QUOTATIONS AND AGREEMENTS

Quotations and related drawings, specifications and technical documentation provided by BSEA to Buyer in any form whatsoever shall not bind BSEA and shall be merely an inducement for Buyer to place an order. All BSEA's quotations and related drawings, specifications and technical documentation may be revoked or changed without prior notice. Orders placed by Buyer shall bind BSEA only if Agreement is made between Buyer and BSEA. An Agreement will be made between Buyer and BSEA when BSEA notifies the acceptance to Buyer in writing within fifteen (15) working days from the date of receipt of such order or BSEA does not reply the acceptance or refusal of such order within the aforesaid period. BSEA may always refuse an order without giving reasons.

In the event that Buyer places an order with BSEA, Buyer shall be required to identify the specifications of the Goods by way of indications or references to relevant drawings, specifications and technical documentation provided by BSEA on the face of the order ("Technical Approval"). Once the Technical Approval is given, such specifications shall not be amended or modified without the prior written consent of BSEA.

PRICES

Prices in any quotation, offer, confirmation or Agreements shall not include any taxes, duties or similar levies, now or hereafter enacted, applicable to the Goods or any other expenses. BSEA may add taxes, duties and similar levies to the sales price where BSEA is required or enabled by law to pay or collect them and these taxes, duties and levies shall be paid by Buyer together with the price.

If, between the date of the Agreement and the date on which the performance of the obligations under the Agreement is to be made, there should be a material change in market condition or other circumstances, or a substantial change in exchange rate, then Buyer shall, at the request of BSEA, meet, discuss and review in good faith, to revise the price of the Agreement.

PAYMENT

Buyer shall pay the full contract amount specified in Agreement without availing of the benefit of any right of set-off, counter claim, deduction or other rights which Buyer may have against BSEA. Any breach by Buyer of the obligations of payment shall be deemed a material breach of the Agreement.

In case payment for the Goods shall be made by a letter of credit hereunder, Buyer shall, unless otherwise provided in the Agreement, establish in favor of BSEA an irrevocable letter of credit negotiable on sight draft through a prime bank satisfactory to BSEA immediately after the conclusion of the Agreement with the validity of at least fifteen (15) days for negotiation after the last day of the month of the time of shipment specified on the face of the Agreement. Such letter of credit shall be in a form and upon terms satisfactory to BSEA and be subject to Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce, Publication No.600 or any subsequent revision or amendment thereto. If for any reason the bank authorized to pay fails or refuses to honor draft(s) drawn under said letter of credit or payment to BSEA is for any reason not duly effected hereunder, Buyer, upon notice thereof from BSEA, shall immediately make payment in full in cash to BSEA.

In case payment is to be made by D/P, D/A or remittance, and if BSEA has reason to suspect that due and full payment will not be made, Buyer shall, upon BSEA's request, furnish adequate assurance and/or security satisfactory to BSEA.

SHIPMENT

For the avoidance of doubt, the shipment date and time specified on the face of quotation shall not bind BSEA and shall be merely an inducement for Buyer to place an order.

BSEA shall ship the Goods in accordance with the shipment date and time specified in the Agreement, provided, however, that such obligation of the BSEA to ship is subject to the Buyer's performance prior to the shipment, including but not limited to prepayment of agreed amount or establishing letter of credit negotiable on sight through a prime bank satisfactory to BSEA.

Upon the occurrence of the delay of shipment, Buyer shall have the right to cancel the relevant Agreement that BSEA fails to ship the Goods, by sending written notice to BSEA to that effect and BSEA is unable to ship the Goods within three (3) weeks after the receipt of the written notice.

Unless otherwise agreed in writing, Goods shall be shipped on the basis of F.O.B. (as defined in INCOTERMS latest version), partial shipments to be allowed. In case of F.O.B., F.A.S. or any other trade terms under which Buyer has to secure or arrange shipping space, Buyer shall provide the necessary shipping space and give Seller shipping instructions in a timely manner.

If Buyer fails to perform any obligations for the shipment of BSEA in a timely manner, including but not limited to give BSEA shipping instructions, to provide necessary shipping space and to receive the Goods, Buyer shall be deemed to fail to perform its obligation of the Agreement. In such case, BSEA may dispose of all such Goods at its own discretion and require the Buyer to reimburse the BSEA for any expenses incurred for the disposal.

INSPECTION AND CLAIM

Within twenty four (24) hours after the receipt of Goods, Buyer shall inspect the Goods and notify BSEA in writing of any shortage, defect or damage, which existed at the time of their shipment, and within five (5) days after the receipt of Goods, Buyer shall send record and document instructed by BSEA, such as photographs, evidencing such shortage, defect or damage.

After the receipt of such notice and evidence, BSEA will investigate the cause of the shortage, defect or damage, and BSEA shall hold itself liable for the shortage, defect or damage, only when such shortage, defect or damage is attributable to BSEA, and shall be excused from all such liabilities when such shortage, defect or damage is caused by Buyer's or Buyer's customer's acts or omissions, including but not limited to, negligence, careless handling, inappropriate use, misapplication or other use not in conformity with BSEA's specifications. Even if BSEA is liable for such shortage, defect or damage, BSEA's obligation shall be limited to repairing the defective parts of the Goods, replacing with the same kind of the defective Goods or reimbursing the equivalent cost for the said replacement, at BSEA's option, and necessary labor and services required to repair the said Goods. In no event shall BSEA be liable for incidental, consequential or special damages. Buyer shall, in demanding such remedy, cooperate with BSEA's investigation as required by BSEA. Without consent of BSEA, Buyer shall not return the Goods at the discretion of Buyer.

Unless any notice is given as provided above, Buyer shall be deemed to have accepted such Goods and to have waived all claims for shortage, defect or damage.

LIMITATION OF LIABILITY

The maximum liability of BSEA arising out of or resulting from the sale, furnishing or use of any Goods shall in no event exceed the price of the Goods which gives rise to the claim. In no event shall BSEA be liable for any special, indirect or consequential damages, including, but not limited to damages for loss of revenue.

Buyer shall indemnify and hold BSEA harmless from Buyer or third party claims arising out of Buyer's or third party's use of the Goods and reimburse BSEA for all expenses (including counsel fees and court costs) incurred by BSEA in connection with such claim.

WARRANTY

Unless otherwise stipulated in a warranty letter or other documents provided by BSEA to Buyer, BSEA warrants that the Goods shall conform to the specifications or standards expressly agreed between the parties hereto (including the test reports provided by BSEA's sub-suppliers) for twelve (12) months from the date of installation or eighteen (18) months from the date of Bill of Lading, whichever comes earlier.

INTELLECTUAL PROPERTY RIGHTS

BSEA does not warrant the Goods to be free from any infringement of patent rights, trademarks, commercial designs, utility models, brands, trade names, or copyrights or application thereof ("Intellectual Property Rights") owned by any third party in any country. In case of allegation of a possible infringement, the Buyer shall promptly notify BSEA of such allegation, and if requested by BSEA and/or BSEA's affiliates ("Bridgestone Group"), the Buyer shall defend the Bridgestone Group at the Bridgestone Group's cost and expenses.

In addition to preceding paragraph, if any claim or allegation arises in connection with Intellectual Property Rights, BSEA may, at its sole discretion and without any compensation to the Buyer, terminate the Agreement regarding the Goods covered by such claim or allegation.

In case the Buyer knows or comes to know any abuse or infringement by any other party of Intellectual Property Rights owned by the Bridgestone Group covering the Goods, the Buyer shall notify BSEA to that effect and, if requested by the Bridgestone Group, cooperate with the Bridgestone Group, to eliminate such abuse or infringement.

FORCE MAJEURE

In the event the performance by BSEA of its obligations hereunder is prevented by force majeure, directly or indirectly affecting the activities of BSEA or any other person, firm or corporation connected with the sale, manufacture, supply, shipment of the Goods, including but not limited to, act of God, flood, typhoon, earthquake, tidal wave, landslide, fire, plague, epidemic, quarantine restriction, perils of the sea; war or serious threat of the same, civil commotion, blockade, arrest or restraint of government, rulers or people, requisition of vessel or aircraft; strike, lockout, sabotage, or other labour dispute; explosion, accident or breakdown in whole or part of machinery, plant, transportation or loading facility; governmental request, guidance, order or regulation; unavailability of transportation or loading facility; curtailment, shortage or failure in the supply of fuel, water, electric current, other public utility, or raw materials including crude oil, petroleum or petroleum products; bankruptcy or insolvency of the manufacturer or supplier of the parts of the Goods; boycotting; substantial change of the present international monetary system; or any other causes or circumstances whatsoever beyond the reasonable control of BSEA, then, BSEA shall not be liable for loss or damage, or failure or delay in performing its obligations under Agreement and may, at its discretion, extend the time of shipment of the Goods or cancel unconditionally and without liability the unfulfilled portion of Agreement to the extent so affected.

APPLICABLE LAW AND SETTLEMENT OF DISPUTES

The validity, construction, performance and enforceability of these Terms and Conditions and Agreement shall be governed by and construed under the laws of Malaysia, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

With respect to any disputes between the parties hereto relating to the Agreement, each party submits to the exclusive original jurisdiction of the Malaysian Courts.

If any term, provision, covenant or restriction of these Terms and Conditions and Agreements is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

DISSOLUTION

Without prejudice to any rights or remedies BSEA may have under the Agreement or at law, BSEA may, by sending a written notice to Buyer, postpone, stop or terminate with immediate effect the Agreement or any part thereof without any liability whatsoever, if:

- (a) Buyer violates or breaches any of the provisions of the Agreement;
- (b) any proceedings in insolvency, bankruptcy (including reorganization) liquidation or winding up are instituted against Buyer, whether filed or instituted by Buyer, voluntary or involuntary, a trustee or receiver is appointed over Buyer, or any assignment is made for the benefit of creditors of Buyer; or
- (c) the control or ownership of Buyer changes.

Upon occurrence of any of the events referred to above, all payments to be made by Buyer under the Agreement shall become immediately due and payable and Buyer shall, upon request of BSEA, return the unpaid Goods to BSEA. In the event of cancellation, termination or expiration of an Agreement, the terms and conditions destined to survive such cancellation, termination or expiration shall so survive.

CONFIDENTIALITY

The Buyer shall take sufficient measures to keep in strict confidence all of the information provided, either directly or indirectly, by the BSEA in any manner under the Agreement and shall not disclose any of them to any third party, without written consent of BSEA. Notwithstanding anything herein to the contrary, if both parties hereto enter into a confidentiality agreement and there is any inconsistency between any provision of this Article and such confidentiality agreement, such confidentiality agreement shall prevail.