

## General Terms and Conditions

### 1. DEFINITIONS:

The following words shall where the context so permits have the following meanings:

“Merchandise” means all goods, chattels, plant, equipment, machinery stores, materials, parts and the like and includes any services to be performed by seller which are contemplated by the Purchase Order. “Purchaser” means PT FREEPORT INDONESIA. “SELLER” means the person, firm or corporation to whom or which this Purchase Order is addressed.

### 2. CONTRACT:

This purchase order form, together with all documents attached here and/or incorporated herein by reference referred to as the “Purchase Order” constitute the entire terms and conditions of the contract and any terms or conditions stated by Seller in making a quotation or (where no quotation has been given) in accepting or acknowledging this Purchase Order shall form no part of the contract, unless otherwise specifically referred to in the Purchase Order. Seller may not assign this Purchase Order without Purchaser’s written consent. No waiver of breach of any provision of this contract shall constitute a waiver of any other breach of such provision or any other provision.

### 3. QUANTITY:

The quantity merchandise delivered shall not be greater than the quantity specified in the Purchase Order, unless an additional quantity is first ordered by Purchaser in writing. Purchaser may return such excess quantities to Seller at Seller’s expense.

### 4. TIME:

Time is of the essence. However, Seller shall not be liable for delays in delivery or failure to manufacture or to deliver due to causes not reasonably foreseeable which are beyond its reasonable control, such as acts of civil or military authorities. Governmental priorities, fires, strikes, flood, epidemics, war or riot. In the event of any such delay, the date of delivery shall be extended for the period equal to the time actually lost by reason of the delay, unless pursuant to Condition 7 – CANCELLATION Purchaser may otherwise cancel this Purchase Order by notifying Seller in writing.

### 5. PACKING AND TRANSPORTATION:

All merchandise shall be packed, marked and transported as specified in the Purchase Order or in Purchaser’s instruction note attached to this Purchase Order but if not specified then in a proper and suitable manner and in all cases in accordance with the proper requirements of the carriers. In the case of merchandise dispatched from outside of Indonesia, Seller shall upon such dispatch or immediately

thereafter notify Purchaser in writing of, the date of dispatch, the number of the order, the kind and the quantity of the merchandise dispatched and the route and method by which the merchandise will be transported to the designated point of destination as specified in the Purchase Order. Seller shall be liable for any difference in freight charges arising from its failure to follow any transport instructions in this Purchase Order or properly describe the merchandise transported. Purchaser and Seller shall assist each order in obtaining documents and other information desirable for the prosecution of claims against carriers.

#### 6. PRICES, INVOICES AND PAYMENTS:

The prices shown on this Purchase Order are deemed to include all taxes expressly imposed by law and all charges of packing, loading and transportation. Value-Added Tax, other tax imposed and where relevant import duties assessed by government of Republic Indonesia, unless otherwise indicated. The invoice must show the point of destination or port shipment where the merchandise was delivered, and shall properly be made, signed and stamped by seller. Seller's delivery note fully acknowledged and approved by Purchaser or its authorized agent and Value-Added tax invoice, where applicable and charged be properly made, signed and stamped by Seller shall be attached to Seller's invoice. Payments shall only be made in accordance with the Purchase Order subject to completeness of the supporting documents and that the merchandise ordered by Purchaser has been delivered to and received by Purchaser or its authorized agent in its entirety.

#### 7. CANCELLATION:

Purchaser may its option cancel any merchandise not then delivered or in transit. If the Purchase Order covers any standard stock merchandise. Purchaser's obligation shall be to pay for the merchandise delivered or in transit prior to the cancellation. If the Purchase Order covers merchandise manufactured or fabricated to Purchaser's specifications or specifications prepared by seller and/or Purchaser, upon receipt of note cancellation. Seller shall cease manufacture the merchandise or work in accordance with and to extent specified in the notice and shall immediately do everything possible to mitigate any cost incurred by him consequent upon such cancellation and provided that Seller is not in default Purchaser shall pay to Seller the cost of incurred by Seller in connection with this order prior to date of cancellation provided that the amount payable by Purchaser in respect of such cost when added to all previous payment made or becoming payable hereunder shall not exceed the total price stated in the Purchase Order. Upon such payment title to and property in any material and/or incomplete merchandise shall pass to Purchaser.

#### 8. TERMINATION FOR DEFAULT:

In the event of a breach by Seller of any of terms and conditions of this contract, including Seller's warranties. Purchaser may at its option and without prejudice to any of its other rights forthwith cancel the contract in respect of any undelivered merchandise. Purchaser and Seller hereby waive applicability of the provisions of Article 1266 of Kitab Undang-Undang Hukum Perdata.

9. WARRANTY :

Seller warrants that the merchandise will conform to its description and any applicable specifications, shall be of good merchantable quality, and fit for the purpose for which is sold. This warranty is in addition to any warranty or service guarantee stated in the Purchase Order.

10. TITLE AND INFRINGEMENT:

Seller warrants that the merchandise is free and clear of all liens and encumbrances and that Seller has a good and marketable title to same. Seller must accepting this Purchase Order, agrees to hold Purchaser and its parent subsidiaries and affiliates (hereinafter referred to as "Company") free and harmless from any and all loss, damage or injury, to defers its own expense any and all suits or actions, and to pay any judgment against Company, arising out of alleged infringements of any patent, copyright or trademark, foreign or domestic, by whole or any portion of the merchandiser herein described.

11. PROPERTY IN MERCHANDISE:

Where any payment for or in respect of the merchandise or any part thereof is made by Purchaser prior to delivery to the Purchaser the title to and property in the completed or partly completed merchandiser and any materials and parts to be used in its manufacture in respect of which such payments has been made an then on hand shall pass to Purchaser and the same shall be appropriately marked. Notwithstanding any passing of property, the merchandiser materials and parts shall be at the risk of Seller until unconditionally accepted by Purchaser

12. INSPECTION:

Purchaser reserves the right to inspect and test the merchandise any time during manufacture and/or prior to shipment and/or to final inspection within a reasonable time after arrival at Purchaser's base of operation located in Irian Jaya, Indonesia. Unless otherwise specially referred to in the Purchas Order, the merchandise shall not be deemed accepted until after said final inspection by Purchaser and/or its authorized agent.