

**SALES AGREEMENT**

**SPER/...../10000/...../2019**

**AMONG**

**PT PAL INDONESIA (PERSERO)  
(AS THE BUYER)**

**AND**

**POSCO INTERNATIONAL MALAYSIA SDN BHD  
(AS THE SELLER)**

**AND**

**POSCO INTERNATIONAL CORPORATION  
(AS THE SUPPLIER)**

**AND**

**PT TRAKINDO UTAMA SINGAPORE BRANCH  
(AS THE VENDOR)**

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**SALES AGREEMENT**

This Sales Agreement ("Agreement") made and entered into this 04<sup>th</sup> days of July, 2019 by and among PT PAL Indonesia (Persero), an Indonesia corporation having its principal place of business at Ujung-Surabaya Indonesia (the "Buyer"), POSCO INTERNATIONAL Malaysia Sdn Bhd, who is the subsidiary of POSCO INTERNATIONAL Corporation having its principal place of business at Suite 1801, 18th Floor, Kenanga International, Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia (the "Seller"), POSCO INTERNATIONAL Corporation, a Korean corporation having its principal place of business at 165, Convensia-daero, Yeansu-gu, Incheon, Korea (the "Supplier") and PT. Trakindo Utama Singapore Branch, having its principal place of business at 6 Tuas Avenue 2, Singapore 639446 (the "Vendor").

The Buyer, Seller, Supplier and Vendor jointly hereinafter shall be referred to as the "Parties" and individually referred to as a "Party".

**WITNESSETH:**

WHEREAS, the Buyer wishes to purchase certain goods as defined herein from the Vendor through Seller and Supplier as part of a project requirement under the Contract for Material Package Supply, No. Ref No. SPER/14/10000/V/2019 dated May 24<sup>th</sup>, 2019 and it's amendment if any by and between the Buyer, the Seller and the Supplier ("Master Contract")

WHEREAS, the Master Contract and its amendment if any, stipulates that transaction entered into by the Buyer for the purchase of goods must include PT PAL Indonesia (Persero) as the Buyer, POSCO INTERNATIONAL Malaysia Sdn. Bhd. as the Seller and POSCO INTERNATIONAL Corporation as the Supplier.

WHEREAS, the Vendor have agreed to supply the Goods under this Agreement to the Buyer in accordance with the terms and conditions as stipulated herein, with transaction method as stipulated under the Master Contract and its amendment if any.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

**Article 1. Sale of Goods**

The Buyer shall purchase only from the Seller **Main Engine, Gear Box & Shaft Propeller** (the "Goods") supply by the Vendor subject to the terms and conditions herein provided. The purchase of such Goods shall be conducted by the following:

- a) Buyer shall be the consignee of the Goods purchased from the Vendor;
- b) Any claims for defect of the Goods, shortage of the quantities, warranty, delay in delivery, non-delivery, and any other claims in relation to the purchased of Goods ("Claims") shall be made directly by the Buyer to the Vendor. The Seller and Supplier shall be responsible for late delivery caused by late payment by the Seller and/or the Supplier to the Vendor;
- c) Buyer shall obtain advance payment guarantee, performance bond, warranty bond and any kind of documents relevant to this Agreement directly from the Vendor;
- d) Buyer shall request Vendor for testing and commissioning for the purchase of Goods as detailed in Exhibit IV; and
- e) Seller and Supplier shall make payment directly to the Vendor in a timely manner in accordance with the terms of this Agreement for the purchase of the Goods.



Project of KBRS (W000302)  
Main Engine, Gearbox & Shaft Propeller

**Article 2. Item, Quantity, Unit Price, Specification and Quality**

**2.1 Item, Quantity and Unit Price**

Hull No.	No.	Item	Quantity/ Ship set	Total Price (USD)
KBRS (W000302)	1.	a. <b>Main Propulsion Engine &amp; Flexible Coupling</b> - Maker : Caterpillar - Model : C-280-16 - MCR : 5,420 bkW (7,268 bHP) x 1,000 rpm	2 Sets	6,000,335.00
		b. <b>Gear Box</b> Maker Reintjes, Germany	2 Sets	
		c. <b>CPP &amp; Shaft System</b> Maker : Caterpillar Propulsion, Sweden	2 Sets	
		d. <b>Operation Control &amp; Monitoring System</b> Caterpillar : Local, Machinery Room, Bridge & UMS for Main Engines Detailed specification, scope of supply, etc see ANNEX TO ORDER	Ship Set *	
		<b>TOTAL W000302</b>		
				<i>(Say in USD :Six million Three hundred Thirty Five)</i>

**Note:**

\* One Ship Set shall comprise of 2 sets of Main Engines, 2 sets of Gear Boxes and 2 sets of CPP and Shaft System.

**2.2 Specification and Quality**

The specification and quality of the Goods are prescribed and specified in the Annex to Order attached hereto as **Exhibit I**.

**Article 3. Total Contract Price**

The total unit price of the Goods (the "Total Price") is **USD 6,000,335.00** *(Say in USD : Six million Three hundred and Thirty-Five)* which is based on **CIF Surabaya Port (Incoterms 2010)**. The Total Price shall include all services as stipulated in Exhibit IV (DRAWINGS, FAT, PRE-SHIPMENT INSPECTION, COMMISSIONING, TRAINING, SPARE PARTS AND ILS) of this Agreement.

**Article 4. Payment**

4.1 Except as otherwise agreed by the Parties hereto, all the payment for the Goods shall be made in United States Dollars.

4.2 The Supplier shall pay the Vendor the amount equivalent to Fifteen per cent (15%) of the Total Price as advance payment ("Advance Payment") by a telegraphic transfer after the Seller's receipt of the amount equivalent to Fifteen per cent (15%) of the total price of the Contract ("Contract Price") from the Buyer. Payment shall be received in the Vendor's bank account within Twenty (20) working days after Buyer's receipt of Advance Payment Guarantee and the Performance Guarantee. The Vendor shall provide the Advance Payment Guarantee and the Performance Guarantee according to Article 21.1 and Article 21.2 hereof. Advance payment is non-refundable.

Before the Letter of Credit can be issued by the Supplier as Article 4.3, the Vendor shall submit the document to the Supplier as follows:

*[Handwritten signatures]*

- 4.2.1 Copy of Vendor's Company Profile
  - 4.2.2 Copy of Vendor's Business Registration
  - 4.2.3 Copy of Vendor's Invoice for 15% Down Payment
  - 4.2.4 Vendor's Bank Account Certificate
  - 4.2.5 Vendor's Advising Bank information
  - 4.2.6 HS Code and Description of Supplied Equipment.
- 4.3 The Supplier shall pay the Vendor the amount equivalent to Eighty percent (80%) of the Total Price of each Goods by a workable and irrevocable sight Letter of Credit and which shall be opened by The Supplier at least One (1) Month before the first shipment of the Goods. The Vendor shall furnish the following documents to the Negotiating Bank, in which showing the Consignee shall be as detailed in Exhibit V :
- 4.3.1 Bill of lading (1 Original and 3 Copies)
  - 4.3.2 Certificate of Origin (3 Originals and 3 Copies)
  - 4.3.3 Commercial Invoice (3 Originals and 3 Copies)
  - 4.3.4 Packing List (3 Originals and 3 Copies)
  - 4.3.5 Insurance Certificate (3 Originals and 3 Copies)
- 4.4 The Supplier shall pay the Vendor the amount equivalent to Five percent (5%) of the Total Price by telegraphic transfer within Five (5) working days after upon The Buyer's receipt of Original LR Class Certificate, Original Engine Type Approval Certificate and Warranty Bond from The Vendor according to the Article 21.3 hereof and the Vendor's receipt of commissioning acceptance certificate issued by the Buyer.
- 4.5 In case there is a penalty charged to the Vendor, the Buyer shall pay the Seller; and the Seller shall pay the supplier in the amount after deducted by penalty amount. The Supplier shall pay the Vendor within Five (5) working days in the amount after deducted by penalty amount.

#### Article 5. Delivery of the Goods

- 5.1. The Goods shall be delivered by the Vendor by 30<sup>th</sup> April , 2020.
- 5.1.1 One Ship Set shall comprise of 2 sets of Main Engines, 2 sets of Gear Boxes and 2 sets of CPP and Shaft System.
  - 5.1.2 The Vendor shall endeavor to deliver the Goods in 1 (One) Shipment, however, partial shipment shall be allowed.
- 5.2. As informed and requested by the Buyer and the Supplier, the consignee shall be as detailed in Exhibit V.
- 5.3. The Vendor agrees to make delivery of the Goods as mentioned in Exhibit II. The Vendor shall inform The Supplier and The Buyer in writing of the expected shipment date Twenty (20) days prior to shipment of the Goods.
- 5.4. The Vendor should provide free time demurrage of 21 (Twenty-One) days.

#### Article 6. Late Delivery

- 6.1. In the event that The Vendor delays shipment of the Goods in accordance with the shipment schedule as stipulated in the Article 5 hereof, The Buyer shall claim for the late delivery to The Vendor directly and The Seller/The Supplier shall exempt from any liability for the late delivery except for late delivery caused by late payment and / or Open L/C by The Supplier to The Vendor.

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6.2. The Buyer has the right to claim liquidated damages for late delivery of the Goods, equivalent to Zero Point One percent (0.1%) of the of the Contract Price per week of delay, with one week grace period. The liquidated damages for delay shall be limited to a maximum of Five percent (5%) of the Contract Price.

**Article 7. Packing and Marking**

The Goods shall be packed and marked in the manner customary for exporting. Shipping Mark, Tags/Identification and Packing shall be as mentioned in Exhibit III.

**Article 8. Insurance and Risk of Loss**

- 8.1 The Vendor shall obtain and pay for insurance as per INCOTERMS 2010 until CIF Surabaya delivery.
- 8.2 Risk of loss and damage to the Goods shall pass to The Buyer based on CIF Surabaya Seaport in accordance to Incoterms 2010.

**Article 9. Warranty**

The Vendor shall provide warranty to The Buyer for the Goods for Twelve (12) months after Commissioning Acceptance Certificate (PAL Version : HPP\_Hasil Pemeriksaan Pekerjaan) of the Goods and the Commissioning Acceptance Certificate (HPP) will be issued by the Buyer based upon and subject to the Vendor's Standard or Eighteen (18) months after shipment of the Goods, whichever comes earlier.

**Article 10. Claim**

Notwithstanding anything contained herein to the contrary, the Parties acknowledge and confirm that i) the Goods to be supplied hereunder is warranted not by The Seller/The Supplier but by The Vendor to be free from defect in material and workmanship or any quality issues and therefore The Seller/The Supplier shall not be liable to The Buyer or its customer for any defects of the Goods, including, without limitation, warranty, after-sales service, non-conformity, product liability, etc.; and ii) any and all claims by The Buyer or The Vendor or any third party arising out of or in connection with the defect, warranty, poor quality, non-conformity, non-delivery, delay in delivery, shortage, infringement of intellectual property right, product liability, license, patent, non-acceptance, delay in acceptance, and others arising from or in connection with the Goods under this Agreement (the "Claims") shall be directly settled by and between both The Buyer and The Vendor, and iii) The Buyer and the Vendor shall irrevocably exempt and release The Seller/The Supplier from all the Claims, and jointly and severally defend at their expenses and indemnify and hold The Seller/The Supplier harmless from and against any and all losses, damages, costs, expenses, liabilities and proceedings incurred by The Seller/The Supplier in relation to the Claims (except for late delivery caused by late payment by The Seller/The Supplier to The Vendor.), iv) The Buyer shall not make any delay with regard to the payment to The Seller/The Supplier in any case, and v) The Buyer and The Seller/The Supplier shall not make any delay with regard to the payment obligations under this Agreement to The Vendor in any case, subject to completion of The Vendor's obligation and responsibility.

**Article 11. Force Majeure**

- 11.1 Except for the payments due for the Goods delivered by Vendor, any party ("Affected Party") hereto shall not be responsible to the other party ("Non-Affected Party") for non-performance (either in whole or in part) or delay in performance of the terms and conditions of this

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Agreement, due to war, war-like operations, terror; act of God; riot; strikes, sabotage or other labor disturbances in the manufacturing plant; lockout of the manufacturing plant; epidemics, floods, earthquakes, typhoon; embargoes, laws and regulations of the Buyer's country or Singapore Government; In case of any such event the terms of this Agreement relating to time and performance shall be suspended during the continuance of the event.

- 11.2 Within five (5) days from the date of commencement of the event, the Affected Party shall advise the Non-Affected Party by fax or email of the date when such delay in performance commenced, and the reasons thereof as enumerated in this Agreement; likewise, within five (5) days after the delay ends, the Affected Party shall advise Non-Affected Party by fax or email of the date when such delay ended, and shall also specify the re-determined time by which the performance of the obligations hereunder is to be completed.

**Article 12. Breach, Indemnity**

- 12.1 In the event that either party breaches any obligation under this Agreement or toward a third party, delays or interferes with the other party in the performance of this Agreement, it shall be liable to the other party for any reasonable direct damages sustained by the other party, but neither party shall be liable, no matter to any other agreement made in this contract or any applicable law, to the other party for any consequential damage or indirect damage, such as loss of profit. In the event a third party commences any proceeding for which a party hereto intends to claim indemnity, such party shall promptly notify the other party and allow suitable participation in all stages of the proceeding and settlement thereof. Failure to promptly notify or allow equitable participation by the other party shall reduce the right of indemnity by the extent of actual resultant prejudice.
- 12.2 It is specifically understood and agreed by the parties hereto that the Buyer shall be solely responsible for observance of any restriction against importation of the Goods, including antidumping order, imposed by any federal or local authority in Indonesia and shall defend and save harmless The Seller/The Supplier and The VENDOR from any liabilities and obligations under the restriction or any claims arising out of the infringement of the restriction.
- 12.3 It is specifically understood and agreed by the Parties hereto that The Vendor's sole liability is limited to this Agreement and by supplying the Goods under this Agreement, The Vendor shall not become or be considered to become a party of any other Contracts and/or its amendment between The Buyer, The Seller and The Supplier, nor any project that is executed by Buyer with any third party, and there are no obligations under such agreement/contract or project that are applicable to the Vendor. Any breach or non-performance under such agreement/contract or project shall fully be the responsibility of the Buyer and/or Seller and/or Supplier. The Buyer, the Seller and the Supplier hereby release and indemnify the Vendor from any claims and/or suits brought by a third party in relation to such agreement/contract or projects (including any legal costs or fees that may occur due to such claims and/or suits).

**Article 13. Taxes/Duties, Contingent Charges**

Any duties, tariffs for import and export or other taxes or charges which are now assessed or imposed or which may hereafter be assessed or imposed by Indonesian Government in connection with the Goods and/or transactions thereof shall be borne and paid by The Buyer.

**Article 14. Infringement**

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The Vendor shall be liable for and shall indemnify and hold The Seller/The Supplier and The Buyer harmless from and against all losses and damages incurred and suits and claims brought by third party due to possible infringement of trademark, patent, copyright or other proprietary rights of the third party in connection with The Vendor and sale of the Goods according to the Specification attached hereto as Exhibit I. The Vendor shall be liable for and shall indemnify and hold The Seller/The Supplier and The Buyer harmless from and against any liabilities, claims and damages arising out of death of or injury to any person or damage to any property alleged to have resulted from a defect in or malfunction of the Goods.

**Article 15. Termination**

15.1 This Agreement may be terminated upon occurrence of any of the following events:

- i) Agreement in writing of the parties hereto;
- ii) By the non-defaulting party, upon default by any of the other party in the performance of any of its obligations under this Agreement, if not remedied within thirty (30) days after receipt of written notice from the non-defaulting party;
- iii) By the other party, upon either party's (a) making an assignment for the benefit of creditors, being adjudged bankrupt, or becoming insolvent; (b) having a reasonable petition filed seeking its dissolution or liquidation not stayed or dismissed within sixty (60) days; or (c) ceasing to do business for any reason;
- iv) By either party, if a force majeure condition under Article 11 hereof makes it unreasonable to proceed with this Agreement within 6 months after receipt of written notice to the other parties.

15.2 Upon termination of this Agreement, neither party shall be discharged from any antecedent obligations or liabilities to the other parties under this Agreement unless otherwise agreed in writing by the parties hereto.

15.3 Nothing in this Agreement shall prevent either party from enforcing such remedies as may be available in lieu of termination.

**Article 16. Arbitration**

All disputes arising in connection with this Agreement shall be finally settled by arbitration in Singapore, in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC"). The arbitration award may take the form of an order to pay a sum of money and/or to perform or refrain from an act. The arbitration decision shall be final and binding on the parties concerned, and judgment on the arbitration award may be entered in any court having jurisdiction thereof. The arbitration procedures shall be conducted in English language.

**Article 17. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of Singapore. However, the trade terms shall be construed in accordance with INCOTERMS 2010.

**Article 18. Assignment**

Neither party shall not assign this Agreement to any other person without a prior written consent of the others.

**Article 19. Non-Waiver**

No claim or right of either party under this Agreement shall be deemed to be waived or renounced in whole or in part unless the waiver or renunciation of such claim or right is acknowledged and confirmed in writing by such party.

**Article 20. Notice**

20.1. Unless otherwise agreed in writing by the parties, all notices, demands and other communications required or permitted to be given in this Agreement, shall be written in English and shall be sufficiently given if delivered in person or sent by email, by airmail or by fax, addressed as follows :

the Buyer	Address : Ujung - Surabaya, Indonesia Telephone : +62 31 3292275 Email : <a href="mailto:jurubeli1@pal.co.id">jurubeli1@pal.co.id</a> Fax : +62 31 3292426
the Seller	Address : Suite 1801, 18th Floor, Kenanga International, Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia Telephone : +60-3-2161-8033 Email : <a href="mailto:ian.wslee@posco-daewoo.com">ian.wslee@posco-daewoo.com</a> Fax : +60-3-2161-5790
the Supplier	Address : 165, Convensia-daero, Yeonsu-gu, Incheon, Korea Telephone : +82-2-759-2399 Email : <a href="mailto:jinsoo.lee@poscointl.com">jinsoo.lee@poscointl.com</a> Fax : +82-2-759-2511
the Vendor	Address : 6 Tuas Avenue 2, Singapore 639446 Telephone : 65-63947500 Email : <a href="mailto:whidajat@tussspl.com">whidajat@tussspl.com</a> (Mr. Widjanarko Hidajat) Fax : +65-63947520

20.2 Notices sent by letter shall be effective seven (7) business days after sending, and notices by email or fax shall be effective on business day after sending, unless otherwise agreed in writing by the parties.

20.3 The Vendor shall send monthly progress report to Buyer periodically.

**Article 21. Bank Guarantee/Bond**

21.1 The Vendor shall provide to The Buyer with Advance Payment Guarantee as security for the Advance Payment within One (1) month after the signing date of this Agreement, which shall be acceptable by the Buyer, in an amount equal to the Advance Payment. The validity of Advance Payment Guarantee continues until the Goods received by The Buyer.

21.2 The Vendor shall provide to the Buyer with Performance Bond as security for any breach by the Vendor of this Agreement within One (1) Month after the signing date of this agreement, which shall be acceptable by the Buyer, in an amount equal to five per cent (5%) of the Contract Price. The validity of a Performance Bond continues until thirty (30) days after Commissioning Acceptance Certificate of the Goods issued by the Buyer and the Original Class Certificate received by the Buyer.

21.3 The Vendor shall provide to the Buyer with the Warranty Bond as security for defect correction by the Vendor before the expiry date of the Performance Bond, which shall be acceptable by the



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Buyer, in an amount equal to five per cent (5%) of the Contract Price. The validity of a Warranty Bond continues until Twelve (12) months after Commissioning Acceptance Certificate of the Goods issued by the Buyer or Eighteen (18) months after the latest delivery of the equipment commencing from the date of Bill of Lading, whichever comes earlier.

**Article 22. Miscellaneous**

22.1. The Buyer has the right and the authority to suspend business dealings with Business Partners of The Buyer if found indications of irregularities and / or fraud resulting in losses / potentially detrimental of The Buyer, in accordance with the Regulation of the Minister of State-Owned Enterprises No. PER-19/MBU/2012 dated December 27, 2012 Delay Guidelines Business Transactions The Indicated deviation And / Or Fraud.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**BUYER**  
For and on behalf of  
PT. PAL INDONESIA (PERSERO)

  
  
Name : BUDIMAN SALEH  
Title : President Director

**SELLER**  
For and on behalf of  
POSCO INTERNATIONAL MALAYSIA SDN BHD

  
  
Name : CHANG-JOO LEE  
Title : Managing Director

**VENDOR**  
For and on behalf of  
PT. TRAKINDO UTAMA SINGAPORE BRANCH

  
  
Name : WIDJANARKO HIDAJAT  
Title : General Manager

**ACKNOWLEDGED**  
For and on behalf of  
POSCO INTERNATIONAL CORPORATION

  
  
Name : DAE-YOUNG KIM  
Title : Director of Machinery & Public Procurement Department

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**EXHIBIT I:**

**ANNEX TO ORDER (enclosed)**

*Please attached the final Annex to order which initial each page*

*Handwritten initials: a star-like symbol, a stylized 'A', and a 'C'.*

**EXHIBIT II:**

**SHIPPING LINE PROHIBITED BY BUYER**

In this contract, PT PAL prohibits to use shipping lines as mentioned:

1. Shipping Line APL.
2. Panalpina.
3. NYK
4. RCL
5. Maersk Shipping Line
6. MCC Shipping Line
7. AGILITY
8. ECULINE
9. FREIGHTLINER

Notify:

Before shipment, the Vendor must be re-confirm to the Buyer for:

- **Used Shipping Line**
- **Total Cargo**
- **Free time demurrage 21 days**
- **Photo of Material before Shipment**



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**EXHIBIT III :**

**SHIPPING MARK, TAGS/IDENTIFICATION AND PACKING**

SHIPPING MARK shall be as follows :

**PT PAL INDONESIA (PERSERO)**

PROJECT NAME : KAPAL BANTU RUMAH SAKIT (KBRS)  
PROJECT CODE : W000302  
P.O NO. : PO.19.WKJ.IC. 042/2658  
SPER No. : SPER/22/10000/VII/2019  
Description of The Goods : Main Engine, Gear Box & Shaft Propeller  
HS Code : .....  
Kontrak TNI AL dan PT. PAL Indonesia No. KTR/06/02-50/IV/2019/DISADAL  
Tanggal 08 April 2019

**MATERIAL TAGS / IDENTIFICATION:**

shall be written in Waterproof Sticker by printing or Hand Written by steel maker which ever available.

Identification should be mentioned :

- W0000302
- SPER/22/10000/VII/2019
- Overall dimension: L \_\_\_\_ x W \_\_\_\_ x H \_\_\_\_ ; weight \_\_\_\_\_ kgs.
- Part of equipment: \_\_\_\_\_

**PACKAGING :**

Materials should be BUNDLED, BOXES, CONTAINER or other available SEAWORTHY PACKAGING.

**EXHIBIT IV :**

**DRAWINGS, FAT, PRE-SHIPMENT INSPECTION, COMMISSIONING, TRAINING, SPARE PARTS AND ILS**

**1. Drawings and other technical documents relevant to the Goods**

- a. Preliminary Drawing shall be submitted to The Buyer before sign contract, after Order Confirmation.
- b. Approval drawing five (5) pcs / ship, shall be delivered to The Buyer within two (2) weeks after sign contract. Approval will be given by Buyer within two (2) weeks.
- c. Working Drawing seven (7) pcs / ship, shall be delivered to The Buyer within two (2) weeks after approval drawing by Buyer.
- d. Final Drawing include copy of Engine Type Approval Certificate, Operation and Maintenance manual, and shop test record shall be delivered one (1) set soft copy in one (1) CD/Flash disc and hard copy eight (8) pcs.
- e. Preliminary Invitation of Commissioning on board one (1) month before and will be confirmed two (2) weeks before execution date.
- f. Vendor agrees not to disturb the delivery schedule of the Goods see article 2 (Item, Quantity, Unit Price, Specification and Quality) W0000302 related to order projects in the Buyer.

**2. Factory Acceptance Test (FAT), Pre Shipment Inspection (PSI), Start-Up & Commissioning & Crew Training**

The Vendor, at its own cost, shall assist in coordinating the arrangement for the FAT, PSI, Test and Commissioning for the Buyer, as follows:

**2.1 Witness of Factory Acceptance Test (FAT) for:**

Main Propulsion Engines witnessed by Six (6) persons from Ship Owner & one (1) person from Shipyard in USA, Seven (7) Days (Include Travelling days) in USA.

- All economy flight tickets, hotel, accommodation and local transportation in USA shall be borne by Vendor.
- Approval to visit Caterpillar Factory in USA shall be subject to final approval by Caterpillar Inc.

**2.2 Pre Shipment Inspection (PSI)**

Pre Shipment Inspection (PSI) for Main Propulsion Engines, Gearbox & Propulsion System by Two (2) persons from Ship Owner & One (1) person from Shipyard within four (4) days in PT. Trakindo Utama Singapore Branch warehouse in Singapore.

- All economy flight tickets, hotel, accommodation and local transportation in Singapore shall be borne by Vendor.
- The Vendor shall assist Buyer in coordinating the necessary activities in Singapore in relation to Pre Shipment Inspection (PSI).

**2.3 Start-up & Commissioning Engineer**

For Main Engines and Propulsion System:

One (1) person, with maximum total of sixty (60) normal working days (i.e. 60 man days in total), over Five (5) trips, based on Eight (8) work hours/day, for One Ship Set.

- All flight tickets, hotel, accommodation and local transportation shall be borne by Vendor.

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- Normal scheduled work hours & days shall be from 0800 hours to 1700 hours, Mondays to Fridays.
- Additional work days, exceeding the days stipulated above, and/or work performed outside of normal scheduled work hours or work days shall be considered as extension days or overtime and will be invoiced by Vendor separately.

**2.4 Crew Training by Vendor**

Crew training for Main Engine, Gearbox and Propulsion System consist of trouble shooting, maintenance, and other training, for crew of sixty (60) persons in **PT. Trakindo Utama Training Centre**, with duration time maximum Five (5) days.

**3. Spare Parts & Tools**

- 1.) The Vendor shall provide to the Buyer the spare parts & tools for Equipment Package - see Article 2 (Item, Quantity, Unit Price, Specification and Quality):
  - a. Spare Parts for 90 days sea trial (One set per ship set)
  - b. Spare Parts Kit according to Class or Engine Maker's recommendation (One set per ship set)
  - c. Maintenance Spare Parts for One (1) Year (about 2,000 hours), (One set per engine)
  - d. Special Engine Tools (One set per ship set)
  - e. Spare Engine Driven Pumps (One set per ship set)
- 2.) The Vendor shall provide the official statement letter of the available spare parts & tools for 20 years.

Above mentioned drawings and documents shall be supplied based on **Caterpillar Standard**, except the approval drawings and documents should be dedicated for the project of BRS (W000302).

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**EXHIBIT V :**

**B/L, INVOICE, PACKING LIST**

Description on B/L, Packing List, Commercial Invoice that is provided by Vendor should be described as below:

**1. On Bill Of Lading (B/L); Comercial Invoice; Packing List**

**Consignee :**

BENDAHARA KHUSUS PUSKU TNI  
JL. HANKAM MABES TNI NO.- RT. RW.-KEL. CILANGKAP  
KEC. CIPAYUNG, JAKARTA TIMUR DKI JAKARTA  
ID. TAX. NO. 70.098.327.3-009.00

**Notify Party 1:**

TENTARA NASIONAL INDONESIA ANGKATAN LAUT  
UP. KEPALA DINAS PENGADAAN ANGKATAN LAUT  
GEDUNG B4 LANTAI 6 MARKAS BESAR ANGKATAN LAUT  
CILANGKAP-JAKARTA TIMUR

**Notify Party 2:**

PT. PAL INDONESIA (PERSERO)  
UJUNG, SURABAYA PO BOX 1134  
UJUNG, SEMAMPIR, SURABAYA  
JAWA TIMUR 60155  
ID TAX : 01.000.073.5-051.000

  