

General Terms and Conditions of Purchase

I. General

- The following General Terms and Conditions of Purchase ("GTC") apply to all business relationships with our business partners and suppliers ("Supplier") and for all procurements made by Faeth Asia Pacific Sdn Bhd, Faeth Singapore Pte Ltd and Faeth Shanghai Co., Ltd. ("FAETH"), irrespective of whether these constitute purchases, contracts for works and services etc. ("Procurements").
- Unless agreed otherwise, the GTC in the version valid at the time the FAETH's order is placed or in any case the version most recently communicated to it in text form apply as a master agreement for similar future contracts, without us having to refer to these again in each individual case.
- These GTC apply exclusively; terms used by Supplier that conflict with, amend or deviate from these GTC are not acknowledged by FAETH, except FAETH has expressly approved of their application in writing. The requirement for consent applies in any case, for example even if we accept the Supplier's deliveries without reservation while being aware of its general terms and conditions.

II. Order and Acknowledgement of Order

- The Supplier is required to confirm FAETH's order in writing within 2 (two) working days or to carry out the order without reservation by dispatching the Goods (acceptance). If FAETH receives from Supplier neither a confirmation nor a rejection within the time period set forth above, the Purchase Order shall be deemed to be confirmed by Supplier. FAETH shall be entitled to cancel the Purchase Order if Supplier fails to confirm or reject the Purchase Order.
- FAETH's order is deemed binding at the earliest upon submission or confirmation in writing. The Supplier must point out any obvious mistakes (e.g. spelling or calculation errors) or missing information in the order documents to us before accepting such so that these/this can be corrected or provided; the contract is otherwise deemed not to have been concluded.
- If the Acknowledgement of Order differs from the Purchase Order, it shall be binding on FAETH only if and to the extent he has accepted such Acknowledgement of Order in writing. Any general conditions of Supplier shall be binding on FAETH only insofar as they are consistent with FAETH's conditions or have been accepted by FAETH in writing. The acceptance of supplies or services of any nature ("Delivery") or the making of payments shall not imply acceptance of any conditions.
- Changes or amendments to the Purchase Order shall only become effective if confirmed by FAETH in writing.

III. Delivery time and delay in delivery

- The delivery time specified by FAETH in the Purchase Order is binding. If the delivery time is not specified in the Purchase Order and not otherwise agreed, performance is to be rendered immediately. The Supplier is obliged to inform FAETH in text form without undue delay if it anticipates, for whatever reason, not being able to meet the agreed delivery times.
- Supplier shall not be entitled to deliver or perform the Deliverables before the agreed delivery or performance date, unless FAETH expressly agreed to such delivery or performance in writing in advance.
- If Supplier fails to meet the agreed delivery or performance date for reasons for which Supplier is responsible, FAETH shall be entitled, without prejudice to its statutory rights, to charge a contractual penalty amounting to 0.5 % (five tenths percent) of the total amount of the Purchase Order per each working day of said delay and not exceeding a maximum of 20% (twenty percent) of this amount.

IV. Delivery; Transfer of Risk; Export Control; Customs

- Any deliveries shall be made DAP pursuant to the Purchase Order according to Incoterms 2020 unless agreed otherwise. For the DAP, Supplier is responsible to bear the handling fee for import customs clearance unless agreed otherwise.
- Unless agreed otherwise, shipping costs shall be charged to Supplier. In case Incoterms 2020 are agreed that oblige FAETH to bear the total or part of the freight costs, shipment shall be effected in the cheapest manner unless otherwise specified by FAETH.
- Shipping insurance has been covered by FAETH's Authorized Insurance Company. In case Incoterms 2020 are agreed that oblige FAETH to bear the shipping insurance, please do not declare or insured value additional coverage through carrier or forwarder. Extra cost shall charge to Supplier.
- Without the written consent of FAETH, Supplier is not entitled to provide any services owed through third parties. Supplier bears the procurement risk for its performance, unless agreed otherwise in the individual case. In case of subcontracting without FAETH's prior written consent, FAETH shall be entitled to withdraw from all or part of the Purchase Order and to claim damages.
- Every shipment shall contain packing slips and dispatch notes indicating contents, purchase order number and quantity.
- Supplier must pack the Goods securely so as to prevent damage during loading, transport and unloading.
- Supplier shall inform FAETH before or upon delivery about any applicable export or re-export restrictions and regulations and the applicable export control classification numbers (including the ones for the USA) applicable to the Deliverables, information, software or technology supplied by Supplier. In addition, Supplier shall inform FAETH of any documents to be provided by FAETH, such as an end-use certificate, without undue delay after conclusion of the Contract. Supplier shall implement effective measures to ensure compliance with the applicable anti-terrorism regulations and foreign trade and payment laws. Supplier shall provide FAETH before or upon delivery with any customs data required in accordance with applicable customs and trade related laws and regulations, requiring, amongst other things, clear product descriptions, Harmonized System Codes (HS Codes), country of origin (in the two digit ISO code) and customs value. Such data shall be

provided on every invoice. Supplier shall further provide a declaration of preferential treatment, if applicable to the Deliverables. Upon request of FAETH, Supplier shall provide FAETH with a long term shippers declaration concerning the requested Deliverables. Supplier shall be liable for the correctness of all provided data. If through governmental anti-dumping measures penalty duties are imposed on Deliverables upon the import in the receiving country, Supplier shall not be entitled to deliver such Deliverables, unless FAETH expressly agreed to such deliveries in writing in advance. In cases, where the shipping-address is different to the billing-address and the goods are subject to export authorization when being exported out of the relevant country, Supplier shall inform FAETH upon delivery accordingly and provide all relevant shipping data, as in such case, FAETH shall act as Exporter of Records (EOR) according to the applicable customs and export control laws.

8. Over deliveries are subject to prior written confirmation of FAETH.

V. Price and payment terms

- The price in the Purchase Order is binding. Unless agreed otherwise, the price includes all performances and ancillary performances of the Supplier (e.g. assembly, installation) and all incidental expenses (e.g. proper packing, transport costs including any transport and third-party liability insurance).
- Unless agreed otherwise, payment shall be effected and fall and payable at least 60 days following invoice receipt date. The term of payment shall start upon complete delivery and performance (including acceptance of Goods, if agreed), and receipt of a proper invoice.
- Payment of Deliverables shall not be construed as an implied admission that the Deliverables comply with contractual terms.
- FAETH do not owe any interest on maturity. The statutory regulations apply for payment default, whereby a written payment reminder from the Supplier is required in any case.
- FAETH may set off against any sums due to the Supplier whether under this order or otherwise as permitted by law.

VI. Non-disclosure and retention of title

- FAETH reserve ownership rights and copyrights to product specifications, technical documentation including illustrations, plans, drawings, calculations, usage instructions, product descriptions and other documents. Such documents are to be used exclusively for the contractual performance and are to be returned to FAETH after discharge of the contract. The documents may not be disclosed to third parties, even after termination of the contract. The non-disclosure obligation will only cease to apply when and to the extent that the knowledge contained in the documents provided has entered the public domain.
- The above provision applies accordingly to all substances and materials (e.g. software, finished and semi-finished products), as well as to tools, templates, samples and other objects which FAETH provide to the Supplier for production ("Provided Materials") or which are procured or manufactured by the Supplier exclusively for contractual purposes, provided their procurement or manufacture is remunerated by us ("Manufacturing Equipment"). Any Provided Materials and Manufacturing Equipment remain our property and are as such – as long as they are not processed – to be stored separately at the expense of the Supplier and to be insured against destruction and loss to an appropriate extent.
- Ownership of the Goods is to be transferred to FAETH unconditionally and without regard to payment of the purchase price. FAETH remain authorized to resell the Goods in the normal course of business even before payment of the purchase price. All other forms of retention of title, in particular extended or assigned retention of title and retention of title extended to further processing, are therefore excluded in any event.
- Supplier may not use FAETH's name or trademarks in any type of advertisement materials, web sites, press releases, interviews, articles, brochures, business cards, project reference or client listings without FAETH's prior written consent.

VII. Inspection; Quality of Goods

- Supplier shall inspect all Deliverables prior to shipment to FAETH at its cost. If requested by FAETH, Supplier shall immediately provide FAETH with a copy of the inspection results. FAETH reserves the right to conduct its own pre-shipment inspection and testing wherever such goods are located.
- If the Deliverables consist of software, the Supplier is obliged to provide the software in source code and to hand over the documentation necessary for FAETH to use it, in any case including the user documentation, the installation description, the interface description, the source code documentation and the maintenance documentation.
- For all technical equipment including software, the Supplier will provide the technical documentation and operating instructions in the project language specified in the order. If the project language is not defined, the Supplier will hand over the aforementioned documents in English.
- Supplier shall not modify the specifications for any Deliverables purchased hereunder without FAETH's advance written consent. Supplier shall notify FAETH at least one hundred twenty (120) days in advance of any changes in the specifications or manufacturing process.
- Payment before or after inspection shall not constitute acceptance of non-conforming goods or services, and neither inspection, testing nor acceptance of the goods or services shall relieve Supplier from its responsibility for latent or patent defects in the goods or other failures to meet the requirements of this Order, fraud or Supplier's warranty obligations.
- At any time before acceptance, FAETH learns that the goods or services are defective or otherwise not in conformity with the requirements of Purchase Order, including the warranties of set forth in this Purchase Order, upon written notice to Supplier, FAETH may:

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a) Rescind this Purchase Order as to such goods or services
 b) Accept such goods or services or part thereof at an equitable reduction in price determined by FAETH
 c) Reject such goods or services and require, at FAETH's option, replacement, repair, refurbishment, re-performance, or credit or rebate of the purchase price paid by FAETH.

7. The Supplier bears all expenses necessary for subsequent performance. If FAETH have installed the defective goods into another object or attached them to another object in accordance with their type and intended use, the Supplier is also obliged, within the scope of subsequent performance, to reimburse us the necessary expenses for the removal of the defective or the attachment of the repaired or delivered defect-free goods; at our request, the Supplier is obliged to remove and detach the defective Goods itself and to install the repaired or delivered defect-free Goods into the other object or to attach them to the other object. The costs incurred by the Supplier for the purposes of inspection and subsequent performance are also borne by it if it turns out that no defect in fact existed.

VIII. Warranty

1. In addition to any warranty and/or condition implied by law, the warranty period shall be 18 (eighteen) months from the date of delivery or 1 (one) year from the commissioning date whichever is later.
2. If the defects are detected prior to or upon the transfer of risk or during the warranty period, Supplier shall either correct such defects at his own expense, or provide new Deliverables free of defects ("Supplementary Performance") at FAETH's sole option and discretion. FAETH's choice shall be made at reasonable discretion.
3. If the Supplementary Performance fails within a reasonable period of time to be set by FAETH, FAETH shall be entitled to withdraw from all or part of the Contract without paying compensation or demand a reduction of price or, at Supplier's expense, perform himself or have performed repairs or replacements and claim damages instead of performance of the Contract.
4. Purchaser shall be entitled to carry out repairs or have them carried out at Supplier's expense without setting a deadline if Supplier is in delay with the delivery of the Deliverables.
5. The same applies in the event that immediate repairs are in Purchaser's interest to avoid delays by Purchaser or because of any other urgency.
6. The foregoing shall not limit any further or other rights or claims of Purchaser provided by applicable law.
7. In case Supplier carries out Supplementary Performance pursuant to VIII para. 2, for these Deliverables the full warranty period set forth in VIII para. 1 shall start anew.
8. Defective Deliverables shall be returned at Supplier's expense and risk.

IX. Liability for the Infringement of Intellectual Property Rights

1. The Supplier guarantees that no intellectual property rights conflict with the use of the Deliverables provided in the Purchase Order.

X. Material Provide by FAETH

1. Material provided by FAETH to Supplier shall remain the property of FAETH and shall be clearly marked and stored separately at no cost for FAETH. The material shall only be used for FAETH's purchase orders. Supplier shall compensate FAETH for depreciation in value or loss. This shall also apply to material provided for and on Supplier's account for a specific Purchase Order.
2. Supplier shall process or transform the material for FAETH who shall become the direct owner of the new or transformed item. If this is prohibited by law, FAETH and Supplier agree, that FAETH shall at all times during processing or transformation become the owner of the new item. Supplier shall apply due and proper care in keeping the new item at no cost to FAETH.
3. Material provided by FAETH shall not be passed to third parties nor used for purposes other than those specified in the Purchase Order without FAETH's prior written consent.

XI. Insurance

1. Supplier is obliged to ensure transit insurance according to the agreed risk transfer.

XII. Assignment of Receivables

1. No receivables shall be assigned without Purchaser's prior written consent.

XIII. Termination

1. In addition to all of the other rights which FAETH may have to cancel the Purchase Order, FAETH shall have the further right, without assigning any reason therefore, to terminate any work hereunder, in whole or in part, at any time. FAETH will not be liable to Supplier for any costs for completed items, items in process or materials acquired or contracted for, if such costs were incurred more than the permitted number of days prior to the delivery dates as stated on the face of the Purchase Order. If FAETH cancels the Purchase Order within such time as specified on the face of the Purchase Order and if the parties cannot agree within a reasonable time upon the amount of fair compensation to Supplier for such termination: (a) FAETH will pay the contract price for all items reasonably completed in accordance with the Purchase Order and not previously paid for unless said item(s) is part of Supplier's standard commercial items, and (b) Purchaser will pay a fair and proper proportion of the contract price for items in process and for all materials acquired or contracted for within the time specified on the face of the Purchase Order for the purpose of fulfilling the Purchase Order which Supplier is unable to cancel, return or otherwise use in Supplier's operations. Should FAETH so desire, cancellation charges shall be subject to FAETH's audit at FAETH's expense.
2. FAETH's ability to terminate the Purchase Order for cause shall be immediate and without prior written notice, in the event of any of the following by Supplier: (i) a breach of any covenant, representation or warranty hereunder; (ii) in the event of (a) any change in the active management or ownership of Supplier or (b) the sale, transfer or other disposition of all or substantially all of the assets of Supplier or any affiliate, division or unit of Supplier, either of which FAETH, in its sole discretion, believes may have an adverse effect on Supplier's ability to fulfill its obligations under the Purchase Order; or (iii) (a) any proceeding in bankruptcy, reorganization or arrangement for the appointment of a receiver or trustee to take possession of Supplier's assets or any other proceeding under any law for relief from creditors shall be instituted by or against Supplier (and such proceeding is not dismissed within sixty (60) days from the filing date); or (b) if Supplier shall make an assignment for the benefit of its creditors. In such a case FAETH shall be entitled to use available equipment or goods and services which have already been provided by the Supplier in order to continue the work, in return for appropriate payment.

XIV. Compliance with Laws; Corporate Social Responsibility; Environmental Protection, Safety and Health (ESH)

1. Suppliers shall comply with all laws, rules and regulations applicable to the manufacture, sale and supply of the goods or otherwise in performance of the Contract, including without limitation laws, rules, and regulations regarding labor standards, safety and health, and protection of the environment.
2. Supplier shall comply with the applicable ESH requirements and requirements regarding the employment of foreign personnel during the performance and fulfilment of the Contract and at its cost be responsible for providing and securing any relevant permits or licenses required by applicable law.
3. In case that the goods are classified as hazardous according to the UN GHS system ie. Globally Harmonized System of Classification and Labelling of Chemicals, Supplier shall be obliged to put the applicable labelling in place with reference to this and local country Occupational Safety & Health legislation. Prior to the first delivery Supplier shall provide FAETH with a Safety Data Sheet (SDS). In case of any changes, Supplier shall provide an updated SDS that highlights the changes to the Purchasing department. Where applicable, Supplier shall also comply with the REACH regulation (EC) 1907/2006. On request, Supplier shall provide FAETH with any additional information necessary to guarantee appropriate ESH measures.

XV. Indemnity

1. Supplier shall indemnify FAETH against any and all losses, damages, costs, claims, demands, expenses and liabilities whatsoever which Purchaser may incur whether directly, or as a result of:
 - personal injury or death of any person or in respect of any loss or destruction or damage to property attributable to any defect in the goods or services or the Supplier's performance of its supply obligations; and/or
 - any action, claim or demand of any third party by reason of any breach by the Supplier of the Contract or of any terms or obligations of any applicable law or regulation or contractual provision on the part of the Supplier relevant to the Purchase Order or to the goods; and/or
 - any breach by the Supplier of applicable laws in the performance of the Purchase Order. In case any performance of the Purchase Order is required within the FAETH's premises, the Supplier shall not use or hire anyone in contravention of any applicable laws and regulations in force and shall comply with all safety and security directives of the FAETH at all times.

XVI. Withholding Tax

1. Withholding tax, where applicable under the prevailing tax laws shall be deducted from the payment due to the Supplier and the balance of the payment shall be remitted to the Supplier. The tax withheld shall be paid to the tax authorities by the FAETH on the Supplier's behalf and the relevant tax receipts issued by the tax authorities shall be returned by the FAETH to the Supplier in due course.

XVII. Public Announcement, Press Release etc.

1. Supplier shall not make any public announcement, press release, industry trade magazines announcement or other form of communication to the press indicating the selection of Supplier and system model by FAETH without prior written consent of the purchasing department and the public relations manager of FAETH.

XVIII. Additional Provisions

1. Where points arise that are not covered by these conditions, the legal provisions shall apply.

XIX. Venue, Applicable Law

1. The Parties agree to attempt to settle any dispute amicably. In the event the dispute cannot be resolved amicably, such dispute shall be resolved and Parties agree to submit to the non-exclusive jurisdiction of the Courts of the branch is located.
2. The relevant laws where the branch is located shall apply without reference to its conflict laws. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 shall be excluded.
3. A person or entity who is not a party to the Contract shall not have any right to enforce any of the provisions of the Contract pursuant to any statute or re-enactment thereof in force at the time of the Contract