

General Purchase Conditions

1. Scope; conclusion of contracts

1.1 These Conditions of Purchase shall apply to deliveries and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not be binding on the Customer even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 Orders and their acceptance shall be in writing. Acceptance of orders shall be acknowledged on the form intended for this purpose on the order, unless otherwise agreed.

1.3 Oral agreements, of whatever nature, shall not be valid unless confirmed in writing by the Customer. Written form shall also include confirmations sent by data transfer or fax.

1.4 If the Supplier does not accept orders within two weeks of their receipt, the Customer shall be entitled to revoke them at no cost/penalty/compensation.

2. Delivery; consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. The Customer shall be notified immediately of any circumstances which prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the order ("Place of Performance") shall determine whether the delivery time has been met.

2.2 Partial deliveries shall require prior consent in writing of the Customer.

2.3 The Supplier is obliged to ensure that goods it has supplied or spare parts for them can be supplied to the Customer at reasonable terms and conditions for a period of 15 years after the last delivery for such goods or its spare parts. If the Supplier intends to discontinue supplying such goods or spare parts for them during this period of time or after this period of time expires, it shall inform the Customer immediately in writing and give the Customer the opportunity to place last orders.

2.4 If agreed delivery/performance times are not observed by the Supplier, the Customer can demand for an amount calculated at the rate of 0.5% on the order value on a

weekly basis commencing from the expiry of the agreed delivery/performance times, but subject to a maximum of 5% of the total order value as a lump sum without having to furnish proof of damage or loss, unless otherwise agreed explicitly. In addition, the Customer shall be entitled to claim statutory rights. Acceptance of the delayed delivery or service shall not constitute any waiver of compensation. The Supplier shall be liable to pay the above even if no explicit reservation is specified when the goods or services are accepted.

3. Prices; terms of payment; transfer of risk

3.1 The price specified in the order shall be binding. Unless otherwise agreed, the prices are delivered at named place of delivery (DAP) in accordance with Incoterms 2010, including packaging. The specified price does not include Goods and Services Tax ("GST").

3.2 Invoices can only be processed if – in accordance with the stipulations in the order – they specify the order number stated in the order and all other reference information; the Supplier shall be responsible for all the consequences of a failure to comply with this obligation, unless it proves that it is not to be blamed for said failure.

3.3 Unless otherwise agreed and subject to the Customer's right to withhold payment under Section 7, invoices shall be settled within sixty (60) days from the date the demand for payment is due provided always that the Customer shall have received the invoice prepared in accordance with Section 3.2 above and accepted the goods /performance of the services. In the event that the invoices are settled within 14 days from the date the demand for payment is due and receipt of the invoice and acceptance of the goods and/or performance of the services, the Customer shall be entitled to a cash discount of 3% from the total value of the invoices.

3.4 The Supplier shall bear the risk of loss and deterioration of the goods until they have been accepted by the Customer or its duly authorised agent by issuing a formal acceptance certificate at the place where the goods are to be delivered as instructed.

3.5 The Supplier agreed that the Customer shall be entitled to make deduction or withholding for any payment due and payable to the Supplier under these Conditions of Purchase, if required by law for withholding tax purpose.

4. Acceptance

4.1 In the case of a work supply or work performance contract, an acceptance testing of deliveries and/or services

or parts of them is essential. In the event such work supply or work performance requires commissioning, the acceptance testing shall be performed after successful commissioning. The acceptance testing shall be conducted at a place of the Customer's choice or at the Supplier's premises or at the place of delivery.

4.2 The acceptance shall be granted by the Customer by issuing a formal acceptance certificate unless otherwise agreed. Unreserved payments neither constitute acceptance nor approval of the deliveries, nor shall they constitute any waiver of claims for defects.

4.3 If an official inspection or acceptance testing of deliveries and/or services or parts of them is stipulated, this shall be conducted at the Supplier's premises, unless otherwise agreed.

4.4 The costs of the acceptance testing shall be borne by the Supplier.

5. Shipment

5.1 Notification of shipment of the goods shall be given no later than the time the deliveries leave the Supplier's factory/warehouse. The shipping address and the Customer's order number, including the item number, shall be indicated on all notices of shipment, bills of lading and parcel labels. Consignments for which the Customer is required to bear all or part of the freight costs shall be transported at the lowest freight rates or according to the Customer's shipping instructions. The shipping instructions, in particular the place where the goods are to be delivered, which is also the Place of Performance, shall be stated in the order.

5.2 The Supplier shall have the cargo secured by the carrier collecting it in order to prevent damage in transit due to the cargo being secured inadequately or not at all.

6. Packaging

6.1 The Supplier undertakes to ship the goods it has produced or processed only in packaging that is environmentally friendly in terms of type, shape and size and that complies with the latest version of official or other goods related applicable packaging regulations.

6.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge on the part of the Customer and to reuse or recycle it. The Customer undertakes to handle any reusable packaging identified by it as such properly and make it available to the Supplier free of charge in the best possible condition.

7. Notice of defects

The Customer shall endeavour to check incoming deliveries for their correct quantity, damage in transit and obvious de-

fects, insofar and as soon as this is expedient in the ordinary course of business. The Customer shall be entitled to refuse to accept the goods or works, withhold payment of the invoices and notify the Supplier of such defects as soon as they are discovered. In this regard, the Supplier waives the argument of receiving delayed notice of defects. The Customer is not obliged to return the defect goods or works (if applicable) to the Supplier.

8. Liability for defects

8.1 The Supplier warrants to the Customer that the ordered goods or services are free of defects.

8.2 If the Customer informs the Supplier of the intended use and the Place of Performance, the Supplier warrants that its delivery and service are suitable for that use and place.

8.3 If a defect in the goods exists, the Customer shall be entitled to reject the goods and it is also entitled to choose (a) to set up against the Supplier the breach of warranty in diminution or extinction of the price; or (b) sue the Supplier for damages for breach of warranty, unless otherwise agreed. The fact that the Customer elects to set up a breach of warranty in diminution of the price does not prevent it from suing for the same breach of warranty if the Customer has suffered further damage. The Supplier agreed that the Customer is entitled to elect at its sole discretion (but not obliged) to set-off any amount payable under the invoice towards the aforementioned diminution or extinction of the price or damages.

8.4 Without prejudice to the Customer's right to select the remedy above, if the Supplier does not carry out remedial actions, i.e. rectification of defects or delivery of a substitute, as soon as it has been requested to do so by the Customer, the Customer shall have the right in urgent cases, in particular to avert danger or avoid/limit damage, to carry out the remedial actions, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects or delivery of a substitute fails or is refused. The Supplier agreed that the Customer is entitled to elect at its sole discretion (but not obliged) to set-off any amount payable under the invoice towards the aforementioned expenses.

8.5 If claims are asserted against the Customer for infringing third-party rights in connection with the defects in the goods or works, the Supplier shall be obliged to indemnify the Customer against these claims at the first written request. The Supplier's obligation to indemnify the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party. The Supplier agreed that the Customer is entitled to elect at its sole discretion (but not obliged) to set-off any amount payable under the invoice towards the aforementioned claims.

8.6 Claims for defects shall become time-barred – except in cases of intention to deceive – in 6 years starting from the passage of risk, unless otherwise agreed. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence anew after they have been delivered.

8.7. If in the course of the remedying the defect, removal and installation costs are incurred, the Supplier undertakes to bear such costs as well as transport costs for the delivery of the replacement part to and from the place of use in cases where the Supplier in the scope of its delivery obligations originally was obliged to install the delivered part or if the defect was attributable to the Supplier. The Supplier, if it thinks fit, ought to take up special liability insurance for installation, removal and transport costs to and from the place of use with coverage of at least € 250,000.00 per individual case.

9 Liability for imperfection in title

9.1 The Supplier warrants to the Customer that the ordered goods or services are free of legal imperfections in title at the time of the passage of risk.

9.2 In the event that the Supplier's right to sell the goods is void or voidable, the Supplier covenants to pay and make good to the Customer all and every loss and damage whatsoever incurred or sustained by the Customer as a consequence of the Supplier's void or voidable right to sell and to indemnify the Customer from and against all actions claims liabilities costs and expenses made by a third party.

10. Supplier's remedies

10.1 Subject always to the remaining provisions in this Section, in the event of a default in payment on the part of the Customer, the parties agree that the Supplier is entitled to exercise any (but not all) remedy as follows:

- (a) a lien on the goods for the agreed price if the Supplier remains in possession of the said goods; or
- (b) in case of the insolvency of the buyer, a right of stopping the goods in transit after the Supplier has parted with the possession of them; or
- (c) a right of resale provided that a prior notice of resale is given to the Customer.

10.2 The Supplier expressly waives its right to lien if (i) the Customer lawfully obtains possession of the goods; or (ii) the goods are in the possession of a third person pursuant to a sale by the Customer; or (iii) the Supplier has made part delivery of the goods, it will not exercise right of lien over the delivered goods and the remainder goods.

10.3 In the event that the Supplier elects to exercise its right to stop the goods in transit after the Supplier has parted with the possession of them, the Supplier undertakes to in-

demnify the Customer for any loss caused by the stoppage if the Customer proves not to be insolvent at that material time.

10.4 In the event that the Supplier elects to exercise its right of resale the goods, the price (a) if paid by the Customer to the Supplier, should be refunded to the Customer in full; or (b) if due and payable, should be irrecoverable by the Supplier.

11. Software

11.1 The Customer shall be granted a licence to use software that is part of the scope of delivery, including the documentation for it, with the agreed features and to the extent necessary for ensuring use of the software in compliance with the contract or permitted by law.

11.2 In the event that the Supplier does not have the proprietary rights over the software set out in Section 11.1 above, the Supplier warrants that it has obtained the right from the rightful proprietor to grant the licence to the Customer in accordance with Section 11.1 above and such grant of licence does not infringe or misappropriate any intellectual property rights of the rightful proprietor or any third parties.

11.3 Supplier must indemnify the Customer from and against all actions, proceedings, claims, demands, costs, losses, damages, expenses and liability which may be brought by any third party for any infringement, misappropriation or violation of intellectual property rights in connection with or arising from the software set out in Section 11.1 above.

11.4 Before the software is shipped or installed on a system of the Customer or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programmes.

12. Quality assurance

12.1 The Supplier undertakes to warrant permanent quality assurance for its goods by means of installation of an adequate quality assurance system, e.g. DIN EN ISO 9001 ff or similar and undertaking of quality tests and checks that are prescribed by the Customer or are otherwise suitable during and after production of its deliverables. The Supplier shall create documentation on these tests and checks.

12.2 The Customer shall have the right to require proof of the quality assurance system installed by the Supplier, to satisfy itself of how the quality tests and checks are carried out on site, including if applicable at subcontractors' premises and to conduct audits at the Supplier's site.

12.3 Without being requested to do so, the Supplier shall immediately inform the Customer of changes in the composition of the processed material or design of its deliveries or services. The changes shall require the written consent of the

Customer. The same applies if the Supplier intends to sub-contract the whole or major part of its deliveries or services.

12.4 If the Supplier intends to sub-contract the whole or major portion of the deliveries and/or services, he shall first give notice to the Customer and seek the Customer's written approval.

12.5 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be deemed to be an integral part of these Purchase Conditions.

13. Requirements for marketing products; product liability

13.1 If it supplies products which fall under the scope of application of a European Directive for first-time placing on the market, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., the Supplier undertakes that it shall comply with the relevant health and safety requirements and processes specified in them. If applicable, the Supplier shall issue an EC declaration of conformity for its products and shall affix a CE mark.

13.2 If the Supplier is responsible for damage outside the supplied goods and claims are asserted against the Customer pursuant to product liability law, the Supplier shall be obliged to indemnify the Customer in this regard against claims for damages by third parties at its request if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties.

13.3 As part of its liability under Section 13.2, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer. Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Customer's other rights and remedies provided under the applicable law shall remain unaffected.

13.4 The Supplier, if it thinks fit, ought to maintain product liability insurance to cover the risks from Sections 13.2 and 13.3, with coverage of at least € 1,000,000.00 per damaging event.

14. Safety; protection of the environment

14.1 The Supplier shall ensure that its deliveries and services meet the environmental protection, accident prevention and work safety or further security or safety relevant regulations in force at the premises of the Customer or other known Place of Performance, in order to avoid or reduce harmful impacts on human beings and environment. To this end, the Supplier shall install and enhance a management system, e.g. DIN EN ISO 14001 or similar. The Customer shall have

the right, if applicable to require proof of the management system installed by the Supplier and to conduct audits at the Supplier's site.

14.2 The Supplier has to comply with the relevant provisions on the handling and placing on the market of hazardous goods as included amongst other in the Environmental Quality Act 1974 concerning the registration, restrictions, authorisation of environmentally hazardous substances, pollutants and wastes. The Supplier further has to observe the relevant provisions on the disposal of waste and recycling material and point out any product handling, product storage and disposal requirements to the Customer.

15. Models and tools; confidentiality

15.1 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of the Customer upon payment for them. They shall be treated with care by the Supplier, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

15.2 Documents, drawings, plans and sketches and other know-how of the Customer which the Customer entrusts to the Supplier for producing the ordered delivery and/or service, in whatever form (in writing, by fax, by e-mail or on electronic data carrier) shall remain the property of the Customer. They are trade secrets of the Customer and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to the Customer and destroy all electronic copies and documents relating thereto howsoever and wherever stored upon completion of delivery.

16. Malaysia Personal Data Protection Act 2010 ("PDPA")

16.1 At any time during the subsistence of these Purchase Conditions, the Customer may request the Supplier to provide its personal data and personal data of its employees/agents/directors/shareholders/representatives/authorised persons for the performance of the contract, administration and other legitimate business purpose.

16.2 The personal data of the Supplier and its employees/agents/directors/shareholders/representatives/authorised persons may be disclosed and shared with other related corporations of the Customer within and outside of Malaysia for the aforesaid purpose.

16.3 The Supplier warrants that it has complied with the Personal Data Protection Act 2010 and that consents have been obtained from its employees/ agents/ directors/ shareholders/ representatives/ authorised persons in relation to the disclosure and processing of their personal data by the Customer for the aforesaid purpose.

17. Export control

17.1 If requested to do so by the Customer, the Supplier must submit a supplier's declaration to satisfy the requirements of EC Directive 1207/2001. The Supplier must provide the Customer with it in good time, at the latest on the acceptance of an order. If long-term supplier declarations are used, the Supplier must notify the Customer of any changes in originating status when an order is accepted. The actual country of origin must be stated on the shipping documents in all cases, even if no preferential status applies.

17.2 The Supplier must inform the Customer of any approvals required on the (re-)export of its goods by German, European, US or other applicable export or customs regulations. For this purpose the Supplier will, insofar as this was not already provided in its offer, supply the following information next to the relevant item references at the Customer's request when an order is accepted and on every delivery note:

- The commodity code (HS code)
- The AL number (export list number) in accordance with Annexes I and IV of the EC Dual-Use Regulation No. 428/2009 in its valid version or Part I of the export list (Annex "AL" of the German Foreign Trade and Payments Regulation (AWV))
- The ECCN (Export Control Classification Number) in accordance with US export law.

17.3 At the request of the Customer, the Supplier shall be obliged to inform the Customer in writing of all further foreign trade data related to the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Section 17.2.

17.4 If details in accordance with the previous sections are not provided or are provided incorrectly, the Customer shall, without prejudice to further rights be entitled to rescind the contract and the Supplier is not entitled to claim any damages or compensation whatsoever.

18. Insolvency of the Supplier

If the Supplier suspends payments or if the Supplier or one of its creditors files for insolvency proceedings on the Supplier's assets or similar proceedings on debt clearing, the Customer can, without prejudice to its other statutory and contractual rights, at its discretion terminate the contract and/or enter into a contract with the Supplier's subcontractors.

19. Entrepreneurial responsibility; Code of Conduct

The Supplier declares its commitment within the scope of its entrepreneurial responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labour law and laws on the safety of employees, and does not tolerate child or forced labour in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. The Customer in this respect refers to its "VOITH Code of Conduct", which could be inspected under <http://voith.com/en/group/compliance-187.html>. The Customer expects the Supplier to admit to the rules and principles as contained therein and supports its compliance.

20. General provisions

20.1 The assignment of these Conditions of Purchase without the express written approval of the Customer shall constitute a breach of these Conditions of Purchase.

20.2 The contract shall be subject to the laws of Malaysia without giving effect to its principles of conflict of laws and to the exclusion of the U.N. Convention on Contracts (CISG).

20.3 Irrespective of the place from which the Supplier ships the consignment, the courts of laws with competence for the Customer's place of business shall have jurisdiction and venue for both parties for the purpose of adjudicating the dispute or claim under these Conditions of Purchase. The Customer can also take legal action at the Supplier's place of business.

20.4 If individual provisions of these Conditions of Purchase are or become invalid in full or in part, this shall not affect the remaining provisions.

20.5 The Supplier shall bear the stamp duty (including any penalty) of these Conditions of Purchase.

20.6 Unless repeated herein, the Customer and the Supplier expressly agree that the provisions of the Sale of Goods Act 1957 to the extent that the right of the Supplier as a seller and duty and liability of the Customer as a buyer are concerned shall not apply to the parties hereto.

20.7 These Conditions of Purchase has been drawn up in the English language. If these Conditions of Purchase are translated into a language other than English, the English version will prevail to the extent that there is any conflict or discrepancy in meaning between the English version and any translation thereof.