

General Terms and Conditions

for Use in Sales Transactions with Customers

1. Scope of these conditions

- 1.1 These General Terms and Conditions of Business ("these Terms") shall govern the rights and obligations concerning the provision of items (e.g. parts, products; the "Deliveries") and services (e.g. installation, assembly, fabrication, repair; the "Services") by Song Tat Precision Pte. Ltd. ("SONG TAT") to business customers, or legal entities of public law (the "Customer"). These Terms form part of the contract which is brought about through SONG TAT' order confirmation following the Customer's order. In case of any conflicts between the provisions of the order confirmation and these Terms, the provisions of the order confirmation shall take precedence. Any deviating or supplementing contractual terms of the Customer shall be excluded and shall not apply even if SONG TAT does not explicitly object to them.
- 1.2 Documents, e.g. illustrations, drawings, weights, performance specifications in brochures, cost estimates, data sheets, etc., do not constitute any guarantees, but performance descriptions. SONG TAT reserves the right to make any alterations due to and justified by technical advancements, even after confirmation of the order.
- 1.3 Except with the express prior written consent of SONG TAT, the Customer shall not be entitled to reproduce, copy, make available to third parties or otherwise disclose the documents mentioned in Section 1.2 above or to use them in any manner conflicting with SONG TAT' interests. If the order is not placed with SONG TAT, the documents shall be returned to SONG TAT without undue delay upon request. The preceding sentences 1 and 2 shall apply correspondingly to the Customer's documents provided to SONG TAT; the documents provided to SONG TAT may, however, be made available to those third parties whom SONG TAT has rightfully subcontracted to perform any Deliveries and/or Services.

2. Prices

- 2.1 Prices for Deliveries (for Services, see Section 8) are DAP according to INCOTERMS 2010, ICC Publication Section 715 ED, to the destination indicated in the offer or elsewhere unless these Terms provide differently.
Prices are in SGD (S\$), plus GST, if any, at the statutory rate applicable from time to time. To be added are any and all taxes, customs duties or charges as well as consular or legalisation fees possibly levied even according to the rules of a law other than the law applicable pursuant to Section 12.1. Customary packaging is included in the price; any costs arising for special packaging requested by the Customer will be charged separately.
- 2.2 Prices reflect the cost situation for SONG TAT at the time of conclusion of the contract. If any costs change before the day of delivery / performance of service, SONG TAT reserves the right to adjust the prices, provided that the Deliveries and/or Services are to be carried out as agreed more than four (4) months after conclusion of contract.

3. Reservation of title

- 3.1 Title to delivered items ("Retained Goods") is retained by SONG TAT until all claims and receivables of SONG TAT against the Customer under the business relation (including any current account receivables) are satisfied, insofar as this is permissible under the law of the country in whose territory the Retained Goods are located as agreed upon. If such law does not permit reservation of title to the Retained Goods, but permits reservation of similar rights, SONG TAT shall be entitled to assert such rights. The Customer commits to support all measures taken in order to protect the title to or security interests in the Retained Goods.
- 3.2 Insofar as the title of SONG TAT to the Retained Goods expires through combination with another item, SONG TAT

acquires co-ownership to the new item on a proportional basis, i.e. at the ratio the value of the combined Retained Goods (final invoice amount including GST) bears to the value of the other combined items at the time of combination. If the Retained Goods are combined in such a manner that the items of the Customer are to be regarded as the main item, SONG TAT and the Customer hereby agree that the Customer assigns proportionate co-ownership to such item to SONG TAT. SONG TAT hereby accepts such assignment. Any costs incurred by SONG TAT in connection with the enforcement of its claims as co-owner shall be borne by the Customer.

- 3.3 Insofar as the value of all security interests to which SONG TAT is entitled under this Section 3 exceeds the amount of all secured claims and receivables by more than ten percent (10 %), SONG TAT will release a corresponding portion of the security interests in the Retained Goods at the Customer's request; however, SONG TAT may select the Retained Goods to be released.
- 3.4 The Customer shall be entitled to resell the Retained Goods within the ordinary course of business. The Customer hereby assigns its claims under the resale of the Retained Goods to SONG TAT. The assignment includes all ancillary rights and those claims of the Customer regarding the Retained Goods which arise on a different legal ground against its buyers or third parties (in particular, claims based on tort and claims to insurance benefits) as well as all current account receivables in the amount of the claims and receivables owing to SONG TAT. SONG TAT hereby accepts the assignment.
- 3.5 The Customer shall be entitled to collect the assigned claim as long as it satisfies its payment obligations vis-à-vis SONG TAT. In case of the Customer's payment default, SONG TAT shall be entitled to revoke this power of collection. The Customer may not assign such claims, however, in order to have them collected by way of factoring, unless the Customer obliges the factor irrevocably to effect the counterperformance directly to SONG TAT for as long as SONG TAT still has receivables against the purchaser.
- 3.6 The Customer shall inform SONG TAT without undue delay of any seizures, attachments or other dispositions or interventions by third parties. If the third party is unable to reimburse SONG TAT for the court or out-of-court costs incurred by SONG TAT in this connection, the Customer shall be liable therefore.
- 3.7 SONG TAT shall have the right to withdraw from the contract and take back the delivery items if the Customer violates any obligations, especially in case of payment delay; the Customer shall be obliged to return the delivery items.

4. Terms of payment

- 4.1 All payments shall be made to SONG TAT within forty-five (45) calendar days from the invoice date without any deductions.
- 4.2 For orders amounting to a total value of more than S\$50,000 net, a downpayment of thirty percent (30 %) plus proportionate GST shall be made upon placing of the order. SONG TAT shall not be obliged to pay any interest on the downpayment.
- 4.3 SONG TAT reserves the right to demand securities for payment and/or advance payments.
- 4.4 The Customer may set off payments only against such claims or assert a right of retention only with respect to claims that are uncontested or established with non-appealable effect. The Customer shall be entitled to assert a right of retention only on the ground of claims that derive from the same contract as the corresponding counterclaim of SONG TAT.
- 4.5 If the Customer is in delay of payment, SONG TAT reserves the right, without waiving any other rights, to charge annual interest of eight percentage (8%) points above latest average 3-month SIBOR rates.

4.6 All agreed price discounts on the prices shown in the contract and all agreed rebates of any kind whatsoever will cease to apply entirely if the Customer is fully or partially in default to SONG TAT with its payment and acceptance obligations.

5. Periods for Deliveries and/or Services

5.1 Compliance by SONG TAT with the periods for Deliveries and/or Services requires that all obligations of the Customer are fulfilled properly and in due time, in particular that all documents, approvals and releases to be furnished by the Customer are received by SONG TAT in time, that all plans are clarified and approved in time, that the items and services to be provided by the Customer according to Section 8. are available, and that such other obligations are satisfied which are required for the Deliveries and/or Services by SONG TAT to be carried out properly and in due time. If such requirements are not satisfied in time, the periods shall be extended accordingly, plus a reasonable restart period. If a downpayment according to Section 4.2 or a corresponding agreement between the contracting parties has to be made, the preceding sentence shall apply correspondingly.

5.2. If the obligations of SONG TAT according to the applicable INCOTERMS are fulfilled, the periods will be deemed complied with.

5.3 If the Deliveries and/or Services are delayed for reasons attributable to the Customer's responsibility, the periods shall be deemed complied with upon notification of the readiness for dispatch and service within the agreed periods.

5.4 If non-compliance with the periods for Deliveries and/or Services is due to force majeure, e.g. mobilisation, war, riot or similar events such as, but not limited to, strike, lockout or the occurrence of other unforeseen events, the periods will be extended accordingly, plus a reasonable restart period. The events of force majeure shall include any sovereign acts, such as, but not limited to, refusal of a required governmental approval in spite of an application having been properly filed, imposition of an embargo, transport restrictions and restrictions of energy consumption, but also general shortage of raw materials and common supplies as well as other reasons, such as non-delivery or late delivery by suppliers, beyond the control of SONG TAT. If an event of force majeure lasts more than six (6) months, each party shall be entitled to withdraw from the contract.

5.5 If SONG TAT is in delay exclusively by its own fault, the Customer may – if it can prove that it has suffered damage owing to the delay – demand, from the third full week, liquidated damages equal to zero point five percent (0.5 %) for each further full week of delay up to a total of five percent (5 %) of the value of the delayed part of the Deliveries and/or Services.

5.6 Claims of the Customer for compensation of the default damage due to the delayed Delivery and/or Service and any further claims for damages exceeding in total the limit of five percent (5 %) as provided in Section 5.5 shall be excluded in all cases of delayed delivery, even after expiry of any extension period granted to SONG TAT.

5.7 the Customer may withdraw from the contract due to delay in accordance with the statutory provisions only if the default damage has reached the upper limit of five percent (5 %) specified in Section 5.5.

5.8 At the request of SONG TAT, the Customer shall state within a reasonable period whether it will withdraw from the contract due to delayed Deliveries and/or Services and/or whether it will claim damages in lieu of performance or damages in addition to performance or will insist on the Delivery and/or Service. Claims based on default will become statute-barred within six (6) months from their accrual and knowledge, or grossly negligent lack of knowledge, of the Customer.

5.9 If the dispatch or delivery is delayed at the Customer's request (or for other reasons within the Customer's scope of responsibility), the Customer may be charged storage costs equal to zero point five percent (0.5 %) of the invoice amount for each commenced month, starting on the first day after notification of the readiness for dispatch; the storage charge shall be limited to a maximum of five percent (5 %) of the invoice amount. The parties shall be entitled to prove higher or lower storage costs.

6. Delivery / acceptance

6.1 If acceptance is agreed, the contractual Deliveries and/or Services must be accepted/received by the Customer, even if they show minor defects.

6.2 Early delivery and partial delivery shall be permissible insofar as reasonable for the Customer.

6.3 If acceptance is agreed and SONG TAT demands the acceptance of the contractual Deliveries and/or Services after completion, the Customer shall make such acceptance without undue delay, but no later than within two (2) weeks. If the Customer fails to make acceptance in due time or refuses acceptance without justification, the acceptance shall be deemed made. The acceptance shall likewise be deemed to be made if the Deliveries – as applicable after completion of an agreed trial period – have been put to use.

7. Transfer of risk

The risk shall pass to the Customer:

7.1 for (partial) Deliveries without Services in accordance with the applicable INCOTERMS;

7.2 for (partial) Deliveries with Services on the day the Customer puts the Deliveries into operation, if a trial run has been agreed, after defect-free trial run. This requires that the trial run or the putting into operation takes place without undue delay after ready-for-operation installation or assembly. Otherwise, the risk shall pass to the Customer upon installation or assembly for operation;

7.3 for any period by which the dispatch, delivery, beginning or performance of the agreed services is delayed at the request of the Customer or for reasons within its responsibility (default of acceptance). SONG TAT is prepared, however, to undertake the required safeguards at the request and cost of the Customer.

8. Services

8.1 As regards the invoicing of Services, the valid SONG TAT Services Price List from time to time shall apply. In addition, the any supplementary conditions for Services as proposed or amended by SONG TAT, shall apply with priority.

8.2 Cost estimates are non-binding and will be made by separate agreement. Unless agreed otherwise, the costs for preparation hereof are included in the price and will be charged separately if the order for the Services is not placed.

8.3 Prior to commencing the performance of Services, the items to be provided by the Customer must be available completely at the agreed site, i.e. including the accessory parts and, if products of a third party are concerned, also including the operating instructions, descriptions and part lists. The shipment and return shall be at the cost and risk of the Customer. All preparatory work to be provided by the Customer must be fulfilled before the beginning of the installation to such extent that the Services can be carried out without interruption immediately upon arrival of the staff assigned by SONG TAT.

8.4 All supporting personnel, ancillary work outside SONG TAT's industry, articles and substances of consumption, operating power, water, connections and supply lines, protective gear and protective devices, suitable rooms (including those for storage of material) must be procured and provided in the required quality and suitability by the Customer in due time and at its own cost. Official approvals, including those for the stay of persons, must also be obtained by the Customer in due time and at its own cost, and any site-specific accident prevention regulations must be communicated.

8.5 Before the beginning of the performance of Services, the Customer must provide without request all necessary information regarding the position of hidden lines and the required structural data.

8.6 SONG TAT shall be free to decide where the Services shall be performed insofar as the Services cannot be performed at one place only.

8.7 If performance of the Services is delayed by circumstances, especially at the manufacturing site or at the place of performance, without the fault of SONG TAT, the Customer shall reimburse SONG TAT for all costs resulting from this, including the costs for waiting time and additional required travels of staff.

9. Liability for material defects

- 9.1 If Deliveries and/or Services show a material defect, SONG TAT shall at its option and free of charge for the Customer repair, replace or reperform ("subsequent performance") such Deliveries and/or Services if the cause of such defect was present at the time of the transfer of the risk according to Section 7.
- 9.2 Claims of the Customer based on material defects shall become statute-barred after twelve (12) months from the date of delivery according to Sections 2.1 and 5 or acceptance according to Section 6.
- This shall not apply in cases of intent, fraudulent concealment of the defect or non-compliance with a guaranteed quality.
- 9.3 The Customer shall give detailed written notice of any material defects to SONG TAT without undue delay. If the defect notification was unjustified, SONG TAT shall be entitled to demand reimbursement from the Customer for any expenses incurred by SONG TAT.
- 9.4 SONG TAT shall always be afforded two opportunities to make subsequent performance within a reasonable period. If such subsequent performance fails, the Customer may withdraw from the contract or reduce the compensation, notwithstanding any claims for damages according to Section 11.
- 9.5 Claims based on material defects shall not arise
- 9.5.1 where the deviation from the agreed quality is only minor and/or where the usability is impaired only insignificantly;
- 9.5.2 in case of damage occurring after transfer of risk (e.g. following incorrect or negligent handling, excessive stress, unsuitable operational facilities, deficient manufacturing work, inappropriate manufacturing site) or in case of usual wear and tear of the objects;
- 9.5.3 in case of damage which results after transfer of risk from particular external influences (e.g. chemical, electrochemical, electrical or atmospheric) after transfer of risk which are not provided for in the contract;
- 9.5.4 where the material defect is caused either by use not foreseeable to SONG TAT or by the Customer or third parties modifying or repairing the Deliveries and/or Services or using them together with products not delivered by SONG TAT.
- 9.6 Expenses necessary for the purpose of subsequent performance, in particular transportation, travel, labor and material costs, will be borne by SONG TAT only if the delivered item has not been taken, contrary to its intended use, to a place other than the place of delivery. If the delivered item, following its intended use, has been taken to a place other than the place of delivery, SONG TAT will be responsible only for those expenses that would have been incurred if the Customer had not transferred the item; in such case, any additional costs of the subsequent performance caused by such transfer shall be borne by the Customer.
- 9.7 Any additional claims based on material defects are excluded.

10. Liability for defects of title / infringement of intellectual property rights

- 10.1 SONG TAT shall be obliged to perform the Deliveries and/or Services free from defects of title, e.g. industrial property rights and copyrights of third parties ("Intellectual Property Rights"), only in the country of the place of delivery. If a third party asserts justified claims against the Customer due to the infringement of Intellectual Property Rights resulting from the contractual use of SONG TAT's Deliveries and/or Services, SONG TAT shall be liable to the Customer within the period stipulated in Section 9.2 as follows:
- 10.1.1 SONG TAT shall, at its option and cost, either obtain a right to use the concerned Deliveries and/or Services, or modify or replace them to prevent an infringement of Intellectual Property Rights.
- 10.1.2 If this is not possible for SONG TAT under reasonable conditions, the Customer shall have the statutory rights to withdraw from the contract or to reduce the contract price as well as the right to claim damages according to Section 11.

- 10.1.3 The above obligations of SONG TAT shall apply only on the condition that the Customer informs SONG TAT without undue delay in writing about any claims asserted by third parties, that the Customer does not acknowledge any infringements, and that the right of SONG TAT to conduct any defense measures or settlement negotiations shall be unaffected. If the Customer ceases to use the Deliveries or Services on the ground of claims by third parties, the Customer shall make sure, such as by express notice to the third party, that the cessation of use does not constitute an acknowledgement of an infringement of Intellectual Property Rights.
- 10.2 Claims of the Customer based on defects of title shall be excluded insofar as the Customer is responsible for the infringement of the Intellectual Property Rights.
- 10.3 Claims of the Customer shall also be excluded insofar as the infringement of the Intellectual Property Rights is caused by specific Customer requirements, through any use not foreseeable to SONG TAT or because of the Customer or third parties modifying the Deliveries and/or Services or using them together with products not delivered by SONG TAT.
- 10.4 Any further claims based on defects of title shall be excluded.

11. Liability

- 11.1 SONG TAT shall be liable in accordance with the applicable mandatory law for damage caused with intent, for warranties given in writing and in case of culpable damage to life, body or health. The liability under the mandatory provisions of product liability law applicable from time to time shall remain unaffected.
- 11.2 Otherwise, the liability of SONG TAT towards the Customer, no matter on what legal ground, including delay (Section 5.5), shall be limited in aggregate to an amount equal to ten percent (10%) of the agreed remuneration.
- 11.3 Notwithstanding the liability according to Section 11.1 and Section 5.5, SONG TAT shall not be liable for financial loss, consequential damage or compensation for expenses, for loss of profit, loss of production, interruption of business, contractual claims of third parties, lost usage, financing expenditure, interest loss and claims under a covering purchase.
- 11.4 Subject to the liability by mandatory law (Section 11.1), the limitation period for any liability claims shall be twelve (12) months from accrual and knowledge, or grossly negligent lack of knowledge, of the Customer. Section 9.2 remains unaffected thereby.
- 11.5 Any further liability of SONG TAT shall be excluded.

12. Applicable law / place of jurisdiction

- 12.1 The contractual relations between SONG TAT and the Customer shall be governed exclusively by Singapore law, without reference to its conflict-of-law provisions. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.
- 12.2 The courts of Singapore shall have exclusive jurisdiction for any disputes arising directly or indirectly from the contractual relationship, provided that the Customer is a businessman, a legal entity under public law or a special fund under public law. SONG TAT shall also have the right to take legal action at the Customer's domicile.

13. Validity of the contract

- 13.1 If any provisions of the contract are invalid, the remaining provisions shall continue to be in force. This shall not apply if adherence to the contract would constitute an unreasonable hardship for one of the parties.
- 13.2 All agreements, including covenants, must be made in written form to be valid. This form requirement can be waived only in writing.

Song Tat Precision Pte. Ltd.

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