



BAERLOCHER (M) SDN. BHD., (Baerlocher, Malaysia) *its subsidiaries and associate companies*

GENERAL TERMS AND CONDITIONS OF PURCHASE

General Terms

- 1.1 These terms and conditions shall apply to any quotations, proposals and offers made by a Supplier and any order confirmed and made by Baerlocher Malaysia. Any modifications shall only be effective with Baerlocher Malaysia's prior written consent.
- 1.2 These terms and conditions are in addition to any statutory or implied rights of Baerlocher Malaysia as a Purchaser of goods and are subject to any express terms stipulated by Baerlocher Malaysia in respect of any order.
- 1.3 Baerlocher GmbH and Baerlocher Malaysia values its suppliers not only based on commercial criteria, but also takes into account a number of other aspects. For instance, respect of human rights, protection of the environment, anticorruption and antidiscrimination guidelines as well as working and social standards are of high importance to valued new and existing supplier relationships. Therefore, our expectation towards the suppliers are described in detail in the Code of Conduct and it is important that our suppliers know this Code of Conduct and act according to it. The complete Code of Conduct is available on our webpage.

2. Quotations, Proposals and Orders

- 2.1 All quotations, proposals and offers shall be submitted at no expense to Baerlocher Malaysia and shall create no liability on the part of Baerlocher Malaysia.
- 2.2 When making any quotation, proposal or offer, the Supplier making the same shall promptly attend to all inquiries raised by Baerlocher Malaysia in respect thereof. If the Supplier is able to propose a solution or alternative which is technically or economically of advantage to Baerlocher Malaysia, than the Supplier shall additionally offer such solution or alternative.

3. Orders

- 3.1 Only such orders made in writing and issued by Baerlocher Malaysia's purchasing department are binding. Oral agreements in respect of any orders are valid only if confirmed in writing by both parties within 7 days.

4. Term of Delivery

- 4.1 The supplier shall at all times comply with the agreed terms of delivery.
- 4.2 As soon as the Supplier is or becomes aware that it will not be able to fulfill its contractual obligations to Baerlocher Malaysia in full or in part in respect of any orders, it will immediately notify Baerlocher Malaysia in writing, stating the reason and the expected duration of any delay.
- 4.3 It is the Supplier's obligation to request all documents required from Baerlocher Malaysia which are necessary for the prompt execution of the order by the supplier.

5. Prices

- 5.1 All agreed prices are fixed nett prices including transportation to Baerlocher Malaysia's factory, packaging, insurance, import duties, sales and service taxes and other duties and taxes.
- 5.2 All duties and taxes shall be shown separately in the quotation, proposal of offer and the invoice.

6. Inspections

- 6.1 Baerlocher Malaysia has the right to make inspections in respect of the subject matter of the order at the Supplier's manufacturing plant.
- 6.2 Baerlocher Malaysia may from time to time inform the Supplier of Baerlocher Malaysia's intention to make an inspection and forthwith upon receipt of such notice the Supplier shall agree upon an inspection date with Baerlocher Malaysia which inspection date shall not be more than one week of such notice. If as consequence of such inspection Baerlocher Malaysia has any reservations or complaints which in Baerlocher Malaysia's opinion requires further or repeated inspections, the Supplier shall bear all reasonable costs of Baerlocher Malaysia in connection therewith.
- 6.3 Any material and personnel costs concerning the proof of materials shall be borne by Supplier.
- 6.4 Such proof of materials does not affect the warranties given by Supplier.
- 6.5 Any certificates regarding the goods forming part of the Supplier's scope of delivery are to be submitted to Baerlocher Malaysia upon delivery at the latest.

7. Warranties on Goods Supplied

- 7.1 The Supplier warrants that it shall manufacture the Products with reasonable skill and care, that all staff used in connection with the manufacture of the Products shall be skilled and competent, that the goods are free from any defects in material and workmanship and shall conform and comply with the specifications set forth in the order, the general technical standards the actual administrative and legal regulations, the technical safety standards valid and in effect and in compliance with all regulations for accident prevention.
- 7.2 The Supplier warrants to Baerlocher Malaysia that the completed Products shall be free from defects in materials and workmanship for a period of twelve (12) months, commencing from the acceptance of the goods by Baerlocher Malaysia. Where any defects are replaced or remedied, such replacement or remedy shall be subject to a similar warranty period.
- 7.3 The warranty of the Supplier also includes warranty for parts and services provided by a Subcontractor of that Supplier.
- 7.4 In the case of a complaint covered by the Supplier's warranty. Baerlocher Malaysia shall have the option to demand for
 - a) a remedy of the defect; or
 - b) replacement; or
 - c) withdrawal of the goods; or
 - d) a price reduction.
 When handling a complaint, the Supplier has to consider the operational requirements of Baerlocher Malaysia and the Supplier shall as soon as reasonably practicable take such steps as may be reasonably necessary to replace such Products or render them in accordance with such warranty or refund such sums as has been paid by Baerlocher Malaysia in respect of such Products. All costs of Baerlocher Malaysia in relation to any defects including without limitation costs of replacement (such as dismantling, installation, transportation costs or workshop etc.) shall be borne by the Supplier.
- 7.5 In addition to the above, the Supplier shall be liable to Baerlocher Malaysia in contract, tort, negligence or otherwise, for any incidental or consequential loss including, without limitation, any third party claim for any loss of profit, business, revenue, goodwill or for any special, exemplary or consequential damages or other financial loss, howsoever caused, whatsoever arising out of or in connection with the supply of the Products or their use or resale (if applicable) by Baerlocher Malaysia.
- 7.6 In the event that the Supplier is found liable for any loss suffered by Baerlocher Malaysia arising out of or in connection with the supply of the Products, that liability shall not be limited to the price paid for the Products.

7A. Warranties on Services

- 7A.1 The Supplier warrants that all services provided by the Supplier and/or its subcontractor shall be in accordance with the purchase order and the prescribed rules and regulations in force as at the date of the purchase order.
- 7A.2 In the event the Supplier appoints a foreign national or a foreign subcontractor to perform its duties in accordance with the purchase order, it is the duty of the Supplier to ensure that all the working permits and/or visas are legally in order as per the Immigration law and rules and regulations in force as at the purchase order.
- 7A.3 The Supplier warrants that Baerlocher Malaysia shall not be liable for damages payable to the immigration department and/or any liability occurring at any time from the date of execution of the purchase order and completion of the services thereof due to its subcontractors and/or foreign workers being without working permits and/or valid visas.
- 7A.4 In the event Baerlocher Malaysia issues this purchase order to a subcontractor for provision of any services, it is the duty of the subcontractor to ensure that all working permits and visas are legally in order before commencing their services as per the purchase order and Baerlocher Malaysia shall not at any time be liable for any breach of the immigration laws.
- 7A.5 The supplier and the subcontractor shall produce to Baerlocher Malaysia copies of the existing working permits and/or visas for all its foreign workers before commencing any work as per the purchase order.

8. Revocation of Contract / Indemnification

- 8.1 In the event of a default or breach on the part of the Supplier and, upon expiration of a reasonable extension period (if any), granted to the Supplier for delivery of the goods or fulfillment of any warranties, Baerlocher Malaysia shall be entitled to rescind the contract or claim damages for non performance.
- 8.2 Notwithstanding any waiver or extension of time by Baerlocher Malaysia, the obligations of the Supplier, including those in respect of damages and penalties, shall continue and not be effected.
- 8.3 The Supplier shall indemnify and keep Baerlocher Malaysia indemnified from and against all actions, proceedings, costs, claims, damages, losses whatsoever suffered or incurred by Baerlocher Malaysia in consequence of any breach of any representations, warranties, undertakings or obligations on its part contained in this Agreement or arising out of or in connection with the supply of the Products.

9. Insurance

- 9.1 The supplier is obliged to take sufficient indemnity insurance coverage at its own expense for damages that may be caused by it or any persons employed by it in the performance of its obligations. The amount insured for each event will be disclosed by the Supplier with Baerlocher Malaysia at its request. The indemnity insurance coverage does not affect or restrict in any way the Supplier's existing liability(ies) under these terms and conditions or in law.

10. Documents / Secrecy

- 10.1 The Supplier shall at its own cost and expense supply to Baerlocher Malaysia promptly and within the lines contemplated in any quotation, proposal, offer or order all required or requested drawings plans, calculations and other documents including where appropriate any revisions thereof.
- 10.2 All information, data plans, drawings and documents furnished by Baerlocher Malaysia to the Supplier for formulation of any quotation, proposal or offer, the drafting of relevant documentation, the manufacturing of goods as well as any documents prepared by the Supplier by using specific information or data from Baerlocher Malaysia, shall remain the sole property of Baerlocher Malaysia. The Supplier agrees to take all reasonable steps to keep these information, data, plans drawings and documents in confidence and to use the same solely for the purposes of the quotation, proposal of offer and order. The Supplier shall not disclose any such information, data, plans, drawings and documents in any way not authorized herein. The Supplier shall at the request of Baerlocher Malaysia return all such information, data, drawings and documents, including all copies made thereof, to Baerlocher Malaysia. In the event that Baerlocher Malaysia does not place the order, the Supplier has to return all such items immediately to Baerlocher Malaysia.
- 10.3 The supplier shall also keep confidential any information relating to enquiries by Baerlocher Malaysia and particulars of any order, delivery or performance of any contract.

11. Shipment

- 11.1 Delivery notes, packing slips and other documents relating to shipping shall accompany each delivery. All such shipping and delivery documents and the packaging of the goods shall display Baerlocher Malaysia's order number and all information relating to the place of delivery, recipient of the goods and Baerlocher Malaysia's facility for installation.
- 11.2 Unless otherwise agreed upon, the Supplier shall arrange for the shipment of the goods and use the most favorable and suitable means of transportation.
- 11.3 The Supplier has to pack, mark and dispatch all dangerous toxic and volatile goods according to all relevant applicable laws and regulations.

12. Invoice and Payment

- 12.1 All invoices to Baerlocher Malaysia shall correspond to the order including the sequence of items and prices stated for each item.
- 12.2 Time for payment commences from the receipt by Baerlocher Malaysia of the Invoice. Payment by Baerlocher Malaysia will be made subject to compliance with the terms of delivery or service.
- 12.3 Payments by Baerlocher Malaysia do not constitute any acknowledgement of condition or prices and do not affect or constitute a waiver of any warranty or obligation of the Supplier.

13. Weight

- 13.1 Any weight specified or measures expressed in the quotation, proposal or order shall be strictly observed by the Supplier subject to a variation or tolerance of plus or minus 5%.

14. Patents and Trademarks

- 14.1 The Supplier shall indemnify Baerlocher Malaysia against any claims by third parties in respect of any infringement, alleged or otherwise, of patents, trademarks and other intellectual property right(s) relating to goods supplied or delivered by the Supplier. The Supplier shall bear all license fees or costs for the use or any such patents, trademarks and other intellectual property rights.

15. Assignment of Obligations

- 15.1 The Supplier shall not assign any of its contractual obligations pertaining to any order except with the prior written consent of Baerlocher Malaysia.

16. International Commercial Terms (Incoterms)

- 16.1 General commercial terms shall be construed in accordance with the Incoterms revised in 2020 and/or the most recent revision(s) legally acceptable.

17. Applicable Law, Jurisdiction

- 17.1 This contract is subject to the Laws of Malaysia.
- 17.2 The courts in Malaysia shall have such jurisdiction to hear and decide any such matters and each party hereto irrevocably submits to the jurisdiction and venue of any such court.

18. Risk

- 18.1 Risk of damages or loss of any goods shall pass to Baerlocher Malaysia when the goods are duly delivered to Baerlocher Malaysia.