

General Purchasing Conditions

I. General

- The present general purchasing conditions (GPC) are exclusively valid for all current and future orders of Muehlbauer Technologies Sdn Bhd and all their associated companies (Section 7 of Companies Act 2016). The most current version of the GPC is available on www.muehlbauer.com.my. The GPC only apply to orders from Vendors who are legal entities or who exercise their trade, business or profession.
- The GPC apply to contracts, agreements and/or orders ("Contract") concerning the sale and/or delivery of movable goods ("goods") made to the Vendor regardless whether the Vendor manufactures the goods himself or purchases them from the Vendor's supplier(s) (Sale of Goods Act 1957, Contracts Act 1950). Unless otherwise agreed, the GPC applicable shall be the version in force/applicable at the moment the purchase order is issued, or, the latest version the Vendor receives in writing as part of a framework agreement.
- These GPC apply exclusively. Variation, contrary or supplementary terms and conditions of the Vendor shall become a part of the Contract only if and insofar as we have explicitly accepted them in writing. This requirement of consent applies in every case, also for instance if we accept the Vendor's deliveries without reservation while aware of the Vendor's terms and conditions.
- Purchase orders only become binding for us if we have produced them in written form. We do not recognize verbal subsidiary agreements. In particular, purchase orders, changes or additions to Contracts via telephone shall only become binding if we have confirmed them in writing.
- Individual agreements concluded with the Vendor in the particular case (including subsidiary agreements, supplements and changes) precede these GPC in any case. A written Contract or our written confirmation is authoritative for the content of such agreements, subject to proof of the contrary.
- Legally relevant declarations and notifications of the Vendor regarding the contract (e.g. deadlines, warning, withdrawal) must be submitted in writing (e.g. letter, e-mail, fax). Legal formal regulations and further evidence, especially in case of doubts regarding the legitimation of the declarant, remain unaffected.
- Notices about the validity of legal provisions are only for clarification. Even without such clarification, the legal provisions shall apply to the extent to which they are not directly changed or explicitly excluded by these GPC.

II. Offers, conclusion of contracts, extent of orders and prices

- Offers and cost estimates generally are to be submitted free of charge, unless a contrary agreement has been made.
- Our purchase order shall be binding no earlier than upon written submission or confirmation. The Vendor must inform us about obvious errors (e.g. typing or calculating errors) and any incomplete information in our purchase order including the order documents before accepting the order, so we can correct or complete it; otherwise the Contract is considered as not concluded.
- Silence on offers, requests or other statements from our Vendors only means acceptance if this has been agreed expressly in writing.
- After receipt of the purchase order by the Vendor, we expect an unconditional order confirmation in writing within 4 working days which mentions our purchasing order number and article number or an unconditional shipment of the goods (receipt). A delayed receipt is considered as a new offer and requires our acceptance.
- We reserve the right to reduce or increase the amount of ordered items or to make adaptations to the model type of machinery, in particular in respect to new technical developments as long as this means an improvement for us, as well as to require a certain time and place of delivery or setting up. If, as a result of this procedure, cost increases and/or delivery delays are proven to occur, then an appropriate compensation must be negotiated.
- The prices listed in our purchase order are ceiling prices and remain binding even when price increases occur during the Contract period. However, if the Vendor reduces his prices within the delivery deadline, the Contract price must be adjusted to reflect the reduction.
- Unless otherwise agreed for the particular case, the price indicated includes all services and ancillary services of the Vendor (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including possible insurance for transport and liability).
- If the ordered goods fall under export control or other restrictions to marketability according to Malaysian law, the Vendor has to inform us in writing prior to conclusion of the Contract. If this information is not provided, we reserve the right to withdraw from the Contract.
- For articles that are ordered for the first time we shall receive automatically and without further request a long-term Vendor's declaration or information on the country of origin and customs code.

III. Deliveries and terms of delivery

- The delivery date stated in our purchase order and/or Contract is binding. The Vendor is obliged to inform us immediately and in written form if situations occur (or if he becomes aware of factors), which may

lead to a delivery delay. Furthermore, he has to inform us about the new binding delivery date.

- If the Vendor does not honor the agreed delivery date of movable goods or if the manufacturing and the setting up as well as the putting into operation of immovable objects such as machines to be permanently fixed, complete machinery and industrial facilities and other devices is not completed within the deadline, then the Vendor shall be charged, per full calendar week of delay, a financial penalty of 1% of the net Contract amount, but at maximum 5% of the Contract amount. In addition to this, the Vendor is liable to pay for damages that his delay caused to us through a production shortfall, refused orders, and a loss of wages occurring on our side, if such damages exceed the penalty. Furthermore, we shall be entitled to immediately withdraw from the Contract if deadlines are not met. An acceptance of goods delivered late does not constitute a waiver of possible compensation claims for damages.
- Partial, short- or over-deliveries are not admissible unless a contrary agreement has been made. In individual cases, however, such deliveries can be accepted.
- Shipping documents have to be included in every delivery. The documents must contain our order number, our article number for each item, the material designation and the weight of the shipment.
- In case express transport is necessary to meet the delivery date, the arising additional costs have to be borne by the Vendor.
- The delivery of additional agreed documents such as test reports, material quality certificates or the like is required for the delivery to be considered as complete.
- The Vendor is not allowed to assign any of its rights and/or obligation to third parties (e.g. subcontractors) without our prior written consent. The Vendor bears the risk of procurement for his provision of goods and/or services, unless otherwise agreed in the specific case (e.g. limitation in stocks).

IV. Consignment and risk taking

- The Vendor is liable for the strict compliance to the regulations pertaining to the consignment which have been given to him. We retain the right to refuse to accept deliveries, if we have not received proper consignment and shipping documents on the day of delivery and we shall not be in default of acceptance due to that. If costs occur due to the justified refusal to accept the goods, the Vendor must pay the costs.
- The Vendor bears the risk of accidental loss or deterioration until the point of delivery to us or acceptance, unless explicitly agreed otherwise in writing.
- The deliveries are deemed free of transportation costs including packaging until the delivery address, unless there is written agreement to the contrary. We only return packaging materials or bear packaging costs if we confirm this expressly in written form or if it is legally required.
- The Vendor completes his delivery obligations only after the delivery of the goods or acceptance of performance of work unless provided otherwise in written agreement. Our evaluation and determination of the quantities and/or weights shall be conclusive.

V. Manufacturing orders

- For work involving installation, maintenance and additional services, the following shall apply: The Vendor is responsible for ensuring that its employees or agents comply with all applicable accident prevention, fire prevention and health and safety regulations during the performance of all work at our premise.
- The Vendor shall be held liable for any damages caused either by himself, its employees or its agents at our site. The Vendor shall indemnify us for any claims for compensation from third parties, also from instructions of supervisory authorities etc., which are made against us in the context of the contractually agreed delivery or service. Upon our request, the Vendor must prove that he possesses liability insurance coverage which is sufficient to cover the costs for damages.
- The Vendor and his agents themselves are responsible for the care of and the safe storage of their property brought to our facilities. In this regard, we do not assume any liability.

VI. Patents and trade mark rights

- The Vendor guarantees that the products delivered by him do not infringe any patent rights or other intellectual property rights of third parties.
- The Vendor indemnifies us from any obligation, liability, loss, claims for compensation including costs and disbursements which result from claims or litigation due to the infringement of patents or any other intellectual property rights. If such claims are asserted against us, the Vendor shall assume our defense in court at his expense and shall indemnify us from all claims, in whichever form, by third parties. In the case that such claims are made against us, we shall notify the Vendor immediately in writing and provide him with the necessary information.

VII. Sketches and models

1. Sketches, models, documentation, software, etc. which we provide or pay for the execution of an order, remain and/or become our property. The Vendor shall be held liable for the loss, damage or for any misuse until they are duly and completely returned.
2. After completion of an order or the contracted task, the aforementioned properties shall be returned to us without further request.

VIII. Billing and payment

1. After successful and contractual delivery of the ordered goods or provision of the agreed service, we shall receive an invoice from the Vendor. For processing purposes, the invoice has to show our Contract number, the description of invoiced items as well as our Vendor number. Invoices without this information will be considered incomplete and shall not be processed.
2. Payment shall be made after contractual delivery/provision of service and receipt of invoice. In case of defective delivery or performance, we retain the right to withhold the payment until complete fulfillment or resolution of issues. Bonuses, discounts and price reductions shall remain unaffected.
3. Unless otherwise indicated in the Contract or contractually agreed, the agreed price is due for payment within 30 calendar days subsequent to complete delivery and provision of service (including the agreed acceptance, if applicable) and receipt of a proper invoice. If we pay within 14 calendar days, the Vendor shall grant us a 3% cash discount on the net amount of the invoice. In case of bank transfer, payment is considered as made in time if our bank receives our transfer order before expiry of the payment deadline; we shall not be responsible for any delays caused by the banks involved in the payment procedure.
4. We do not owe any default interests. Regarding payment delay, the legal regulations shall apply.
5. The Vendor shall not have the right to offset against our claims, unless for counterclaims that we do not dispute or that have been established against us as final and absolute or for claims arising from the same contractual relationship.

IX. Non-disclosure and reservation of title

1. We own the property rights and copyrights for images, plans, drawings, calculations, executive instructions, product descriptions and other documentation. Such documentation must be used exclusively for the contractual services and must be returned to us after contract fulfillment. This documentation must not be disclosed to any third parties, including after completion of Contract or Contract termination. The obligation to confidentiality shall only expire when and insofar as the knowledge contained in this documentation has become public knowledge.
2. The above provision shall also apply to substances and materials (e.g. software, finished and semi-finished products) as well as tools, models, samples and other items that we provide to the Vendor for production. Where such items are not processed, they must be kept safe, separately and insured to an appropriate extent against destruction and loss at the expense of the Vendor.
3. The transfer of ownership of the goods must be unconditional and regardless of payment of the price. However, if we accept a particular offer of the Vendor where payment of the purchase price is a condition, the retention of title of the Vendor expires at the latest when the purchase price for the delivered goods is paid. In the orderly business process, we remain entitled to resell the goods before paying the purchase price, which shall imply assignment of accounts receivable in advance (alternatively the simple retention of title shall apply and be prolonged for resale). In any case, all other forms of retention of title are excluded, especially the retention of title extended, forwarded or prolonged for further processing.

X. Warranty

1. The Vendor guarantees that the delivered goods correspond to his offers and to the contractually agreed quality and that they do not infringe the rights of third parties. The subjects of the Contract must always be compliant with the laws applicable in Malaysia, especially regarding equipment safety and product liability. There is no limitation in the statutory liability and/or warranty obligations of the Vendor.
2. If a machine, a device or a complete plant is manufactured and/or installed according to a specifically agreed plan or special request, the Vendor shall guarantee that the subject of the Contract fulfills the purpose intended by us.
3. The scope of warranty to be provided by the Vendor includes the parts produced by his suppliers and the deliveries of the suppliers respectively.
4. Our obligation to examine and to claim for defects does not arise until the delivery/service has been received by us at our plant. The examination and notification period, which starts at that point in time, is at least one month for complex cases.
5. Regarding the commercial obligation of examination and notification the legal provisions (Section 16, 41, 42 of the Sale of Goods Act 1957) apply, provided that: Our obligation of examination is limited to defects which are clearly visible during external examination of the goods including the delivery documents at the incoming inspection (e.g.

transport damages, incorrect or short delivery) or which can be noticed by random sample testing by our quality control. If an acceptance is agreed, there is no obligation of examination. Otherwise, it depends on whether an examination is feasible considering the circumstances of the individual case according to regular business procedures. Our obligation to give notice of defects detected later remains unaffected. Irrespective of our obligation of examination our notification of defects shall be considered as immediate and in time if it is submitted within 14 working days from the detection or, in case of obvious defects, from delivery.

6. In the case of immovable objects such as permanently fixed machinery and equipment, an official acceptance from our side will be required. We are not obliged to accept them until the machine or the equipment has been correctly installed or set up and is operational.
7. In case of defects, we shall be entitled to demand either for the defect to be remedied or for a replacement delivery of parts free of defects from the Vendor. Supplementary performance includes removal of the defected goods and reinstallation, if the goods were installed integrated in another item according to its intended purpose. The Vendor must also bear the costs incurred for examination and supplementary performance (including possible costs for removal and reinstallation) if it turns out that there was no defect. Our liability for compensation in case of unjustified claims for supplementary performance remains unaffected, but we can be held liable in this regard only if we have realized or grossly negligently not realized that there was no defect.
8. If a punctual improvement or replacement delivery is not possible, not successful or reasonable, we can make a claim for compensation and/or withdraw from the contract or demand a price reduction. In the aforementioned circumstances, we are also entitled to have the faults corrected at the expense of the Vendor. If a defect is only noticed after further processing, the Vendor shall also be liable for the damages suffered by us from this defect.
9. Otherwise, in case of a defect of quality or title, we are legally entitled to reduce the purchase price or to withdraw from the contract. Moreover, according to the legal provisions we are eligible for compensation for damages or expenses.

XI. Liability of the manufacturer

1. To the extent to which the Vendor is responsible for damaged product, he is obligated to indemnify us for claims for compensation from third parties upon our first request in so far as the cause originated in his organizational domain and is himself liable to external parties.
2. Within the context of his liability for cases involving damage stated in section 1, the Vendor is also obliged to compensate for possible costs and losses resulting from these damages, which have resulted from or are linked to a recall campaign of ours. Concerning the content and extent of the recall measures to be carried out, we shall, as far as possible and reasonable, inform the Vendor and give him the opportunity to make a statement. Any other legal claims shall remain unaffected.
3. The Vendor undertakes to purchase a product liability insurance with a lump-sum coverage of at least 10 million EUR (or the Malaysian Ringgit equivalent) per case of damage to persons or property.

XII. Recourse against Vendors

1. Beside the claims for defects, we are entitled without restrictions to the legal recourse available to us (including recourse against Vendors according to Section 58, 59 and 61 of the Sale of Goods Act 1957). We are in particular entitled to claim from the Vendor exactly the kind of supplementary performance (rectification or replacement delivery) which we may owe to our customer in the individual case. This does not restrict our legal right to choose.
2. Before we recognize or fulfill any claims for defects from our customer (including compensation for expenses according to applicable law), we will inform the supplier, explain the facts and ask for a written statement. If the Vendor makes no statement within an appropriate period and if no amicable solution is achieved, the claims for defects that we actually granted shall be considered as owed to our customer, it rests with the Vendor to provide counter evidence.

XIII. Statute of limitation

1. The mutual claims of the contractual parties shall fall under the statute of limitation according to the legal provisions, unless otherwise determined in the following sections.
2. The general limitation period shall be as governed by the Limitation Act 1953 where the limitation period is six (6) years for breach of contract or tort, running from the date on which the cause of action accrues.

XIV. Other provisions

1. We will process the data that we have received from the Vendor as a consequence of our business relationship in accordance with the legal regulations.
2. The Vendor can only assign claims against us to third parties with our written consent; this shall also apply to assignment of claims in the framework of a factoring contract. If claims are assigned without our consent, we are authorized to withdraw from the Contract. The same applies if insolvency proceedings against the Vendor are initiated or moved for.

3. In case one or several provisions of the conditions mentioned above are or become invalid, illegal or unenforceable, the validity of the other provisions of this Contract shall remain unaffected. Such invalid provisions shall be replaced with an effective provision which most closely reflects the said provision.
4. The applicable legal regulation shall apply to the subject matter not provided for in the Contract.
5. The place of performance for the deliveries and other services shall be our business office.
6. The contractual relationships shall be governed exclusively by Malaysian law.
7. In every case, also for any future claims from the business, including those from bills of exchange, checks and other documents, the place of jurisdiction is Melaka, Malaysia.