

## STANDARD TERMS AND CONDITIONS OF SALES

### 1. Definitions

"Seller" shall mean Swiss Precision Industries Pte Ltd (SPI). "Buyer" shall mean Seller's customer as described in any proposal, quotation, invoice or order acknowledgment provided by Seller to Buyer.

### 2. General Terms and Conditions Applicable to Sale

The terms and conditions contained herein shall apply to all proposal, quotation, invoice or order acknowledgment provided by Seller to Buyer, and such terms and conditions shall supersede all prior oral or written statements or documents made with respect to the subject matter contained herein. The terms and conditions contained herein as well as in any proposal, quotation, invoice or order acknowledgment provided by Seller to Buyer shall also supersede any terms or conditions contained in any purchase order or other communication provided by Buyer to Seller. Seller hereby specifically notifies Buyer of its objection to all terms and conditions not specifically contained herein or not contained in any proposal, quotation, invoice or order acknowledgment provided by Seller to Buyer. Failure of the Buyer to object in writing within 10 days of the date of receipt hereof or the beginning of the production of the Goods sold, whichever first occurs shall constitute agreement to all of the terms & conditions hereof which shall be binding. No modification, amendment, rescission, discharge, abandonment or waiver of these terms and conditions shall be binding upon Seller unless set forth in writing and signed by the Group Managing Director, or an executive officer. The validity of any quotation is 10 days of the date of issuance, unless specified otherwise in the quotation.

### 3. Payment Terms

Payment for any order placed by Buyer and accepted by Seller shall be due within thirty (30) days from the date that Seller submits an invoice to Buyer. Buyer shall pay Seller according to the terms of payment stated in Seller's sales quotation, invoice and order confirmation or as otherwise agreed. Buyer has no right to make deductions in the invoice or to exercise any right of retention, counterclaims or set-offs against the invoice. In the event Buyer fails to pay any invoice in full within the 30 day period, the unpaid balance amount shall bear an interest at the rate of 1.5% per month until paid in full. In case of agreed instalment payments, any default from the Buyer in fulfilling the payment terms shall cause the total outstanding amount to become due immediately without requiring any further notification. Moreover, if Buyer fails to pay any invoice, in addition to any other amounts owed hereunder, Buyer shall pay all costs and expenses incurred by Seller in the course of debt collection, including but not limited to, all reasonable attorneys' fees and legal fees incurred by Seller.

If Seller determines, in Seller's sole discretion, that Buyer is financially unstable or Buyer may not be able to fulfil his payment obligations or other obligations, or if Buyer is past due on any payment or other amount owing hereunder, Seller reserves the right, without liability and without prejudice to any other remedies, (a) to suspend performance, decline shipment, or stop any inventory and Goods in transit, until Seller receives payment of all amounts owing from Buyer and (b) to require that Buyer pay all amounts in full prior to Seller delivering any Goods with respect to future purchases.

In the case of default or breach by Buyer in the performance of any or all of the provisions of this agreement, Seller may cancel any outstanding order from Buyer and declare all obligations immediately due and payable, and shall in addition have all remedies afforded by the Commercial Code as enacted in Singapore, and any other applicable law. Buyer shall in addition, be liable for Seller's expenses incurred in exercising any remedies available to it, including reasonable attorney's fees and legal expenses. All unpaid obligations shall bear interest at the contract rate provided under payment terms above.

### 4. Tooling Payment Milestones

For tooling projects, unless otherwise specified in the quotations the following payment milestones are to be adhered to: 50% down-payment upon receipt of Buyer's official purchase order, next 30% payment upon 1<sup>st</sup> sample submission and final 20% upon Buyer approval for production. Seller shall not be liable for tooling progress delay due to delay in payment.

### 5. Prices, Currency and Taxes

All prices for the products, equipment, services and/or parts (collectively, the "Goods") described in any proposal, quotation, invoice or order acknowledgment quoted by Seller are EX WORKS (EXW Incoterms 2000) unless otherwise agreed in writing in advance. Additional costs such as shipment, insurance, customs duties will be charged separately and specified.

All prices are quoted in Singapore Dollars, and unless otherwise indicated, are exclusive of all current and future taxes and tariffs applicable to the Goods. Such taxes and tariffs, when applicable, will be paid by Buyer and will appear as separate, additional items on each invoice provided by Seller to Buyer unless Buyer provides Seller with a tax exemption certificate acceptable to the applicable taxing authorities.

Prices are based on costs and market conditions existing on the date of proposal, quotation or order acknowledgment and are subject to change by Seller prior to the date of invoice if such costs and market conditions fluctuate drastically. Seller reserves the right to adjust the prices for orders when significant events occur that will lead to abrupt increases or decreases of materials and components costs, including but not limited to precious metal prices, i.e. LME rates, and the foreign exchange rates that fluctuate more than +/- 5%. Such price adjustments will be made in writing to the Buyer stating the cause of the adjustment.

### 6. Lead Time, Delay and Push-out Order

Seller shall procure the materials according to Purchase Orders issued by Buyer and specifics designated within. The lead times for Seller's production and delivery of any Goods shall be as specified in any order acknowledgment submitted by Seller to Buyer. Buyer further acknowledges that such lead times are for estimation purposes only, and Seller shall bear no liability for any loss resulting to Buyer due to Seller's failure to meet such lead times, provided that Seller produces and delivers the Goods within a reasonable time considering industry standards and market conditions.

If Buyer requests deferral of deliveries, Seller's agreement to defer delivery shall not excuse Buyer from its obligation to pay for the Goods at the same times and in the same quantities as the original delivery schedule, including interest due pursuant to these terms and conditions. In addition to adhering to the original payment schedule, Buyer shall pay such storage charges as Seller may assess for storing the Goods awaiting delivery. If Buyer requests deferral prior to commencement of production, Seller may require progress payments in connection with expenses for materials and services incurred by Seller in anticipation of production.

### 7. Provision of Forecast

Buyer must provide production forecast to Seller in order for Seller to anticipate and prepare the materials and capacities to meet the Buyer's requirements. Buyer shall provide a rolling forecast for 3 – 6 months of which the first 3 months is firm and subsequent 3 months is rolling.

### 8. Delivery and Shipment

Unless otherwise stated in any proposal, quotation, invoice or order acknowledgment submitted by Seller to Buyer, all Goods furnished hereunder will be shipped either ex-works Seller's plant, or F.O.B. Singapore. Risk of loss or damage to such Goods shall pass to Buyer upon Seller's release of any such Goods to a carrier for shipment. Buyer shall be responsible for any insurance with respect to such shipments and shall also be responsible for making any and all claims with any common carrier resulting from delay, non-delivery, damage or loss to the Goods shipped. Unless otherwise stated in any proposal, quotation, invoice or order acknowledgment submitted by Seller to Buyer, the cost of all shipping will be the responsibility of Buyer, and such cost shall be included in each invoice submitted to Buyer. Claims by Buyer for shortages or errors in delivery must be made within five (5) days after the receipt of the Goods by Buyer. If Buyer retains the items after delivery without giving Seller notice within the time frame specified, Buyer shall be deemed to have accepted the Goods delivered.

### 9. Retention of Title

Title and right of possession of the Buyers does not pass to the Buyer until the Buyer has fulfilled all his contractual obligations towards Seller, hereunder payment of the entire purchase price for the Goods. The Buyer shall at the Seller's request assist him in taking any measures necessary to protect the Seller's title to the Goods in the country concerned. The retention of title in this clause shall not affect the passing of risk according to clause for "Delivery and Shipment".

### 10. Quantities Variances

Buyer agrees that all orders specifying a quantity of Goods shall be filled within a tolerance of +/- 10% from the quantity term specified in each order acknowledgment sent from Seller to Buyer. Seller reserves the right to ship and invoice Buyer for the actual quantity of Goods shipped, and provided the quantity of Goods actually shipped to Buyer complies with the quantity tolerance stated in this paragraph. If the actual quantity shipped complies with the quantity tolerance stated in this paragraph, such order shall be considered fulfilled and complete.

### 11. Cancellations

Once Seller submits an order acknowledgment to Buyer, such order may not be cancelled by Buyer without Seller's prior written consent, and without Seller being reimbursed by Buyer for a cancellation charge covering all expenses incurred with respect to such order, including, but not limited to, all inventory and manufacturing costs, labour costs, specialized design costs, administrative expenses and other costs and expenses related to the order.

### 12. Force Majeure

Seller shall not be liable for and Buyer shall have no rights with respect to any delay or failure in performance or non-performance which is due to acts beyond Seller's reasonable control. Such acts shall include, but shall in no way be limited to, acts of God, acts of third parties, acts of governmental authorities or any agencies or commissions thereof, acts of war, accidents, breakdowns of equipment, strikes, lockouts, riots, fires, communication line failures, or other interferences with production and the supply or transportation of products, raw materials or components.

### 13. Limited Warranty

Seller warrants that the Goods shall conform to the description stated on the Quotation. THE FOREGOING WARRANTY IS SELLER'S SOLE WARRANTY WITH RESPECT TO THE GOODS THAT ARE THE SUBJECT OF THE QUOTATION. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED. SELLER'S LIABILITY FOR BREACH OF WARRANTY HEREUNDER IS LIMITED SOLELY TO THE REPLACEMENT OF THE DEFECTIVE GOODS, WHICH SHALL BE RETURNED TO SELLER'S PLANT, TRANSPORTATION CHARGES PREPAID BY BUYER; AND THE FAILURE TO GIVE NOTICE OF A WARRANTY CLAIM WITHIN THIRTY (30) DAYS FROM DATE OF DELIVERY SHALL CONSTITUTE A WAIVER BY BORROWER OF ALL CLAIMS IN RESPECT TO SUCH GOODS. THE FOREGOING SHALL CONSTITUTE THE SOLE REMEDY OF BUYER AND THE SOLE LIABILITY OF SELLER UNDER THIS WARRANTY. No Goods shall be returned for credit without first obtaining written consent from an executive officer of Seller.

THIS LIMITED WARRANTY IS GIVEN ONLY TO THE ORIGINAL BUYER AND DOES NOT EXTEND TO ANY SUBSEQUENT BUYER OR TRANSFEREE OF SELLER'S PRODUCTS. THE ORIGINAL BUYER IS NOT ENTITLED TO EXTEND OR TRANSFER THIS WARRANTY TO ANY OTHER PARTY. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

### 14. Limitation of Liabilities and Remedies

Buyer agrees that Seller's liability and Buyer's sole and exclusive remedy pursuant to any claim of any kind, including but not limited to a claim in contract, negligence or strict liability, against Seller shall be (a) the repair or replacement, at Seller's option, of defective Goods, or (b) a refund of the price allocable to the defective Goods if Seller is unable to effectively repair, replace or correct the defect in a reasonable time after using Seller's best efforts. UNDER NO CIRCUMSTANCES SHALL SELLER HAVE ANY LIABILITY WHATSOEVER FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, COST OF ANY SUBSTITUTE FOR THE GOODS, CLAIMS OF THIRD PARTIES, OR INJURY TO PERSON OR PROPERTY.

### 15. Indemnification

In addition to the foregoing, Buyer agrees to save and hold Seller harmless from any claims, demands, liabilities, costs, expenses or judgments arising in whole or in part, directly or indirectly, out of the negligence or lack of care by Buyer or Buyer's customers, agents, employees or invitees involving the use of the goods supplied by Seller. This indemnification shall include all costs, attorney's fees and other expenses paid or incurred by or imposed upon Seller in connection with the defence of any such claim.

### 16. Governing Law and Jurisdiction

Any agreement arising out of this transaction shall be deemed to have been made in Singapore. The parties agree that the validity, interpretation and performance of any agreement arising out of this transaction shall be governed by the laws of Singapore without regard to conflicts of interest laws. Buyer and Seller hereby submit to the exclusive jurisdiction for the resolution of any disputes hereunder, to the Singapore court. This shall be the sole and exclusive jurisdiction and venue for the purpose of adjudication of any rights and liabilities hereunder.

### 17. Tool Asset Management and Intellectual Property

All of Buyer's special tooling, goods and other properties supplied by Buyer and in Seller's possession shall be fully insured by Buyer, and Buyer releases Seller from all liability for loss or damage to such items that occurs while such items are in Seller's possession, regardless of cause. If Buyer decides to claim back the special tool, the associated packaging and transportation cost shall be borne by Buyer. In the event Buyer does not claim such special tooling within one year after completion of Seller's last deliveries under this contract then Seller shall have the right, following 30 days written notice to Buyer, to dispose such special tooling and where applicable, additional cost of disposal shall be borne by Buyer.

For tool produced by Seller and paid by Buyer, Buyer is entitled to the exclusive rights of tool utilization after full payment and tool continues to be kept at Seller for production. Seller retains all title, rights and interests in any intellectual property developed by Seller pertaining to the tool and any related data produced and/or delivered under the contract, whether in the form of inventions (including those which are the subject of a patent application or a patent), trademarks, copyrights, drawings, specifications, instructions, plans, depictions, computer software, and computer software documentation. When Buyer's products become EOL, the tool remains with Seller and Seller shall have the right, following 30 days written notice to Buyer, to dispose the tooling when deemed appropriate.

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