

GENERAL TERMS AND CONDITIONS OF SALE OF PRODUCTS

1. SCOPE

- 1.1. This General Terms and Conditions of Sale of Product ("GTC") governs the terms of sale of any products, equipment, components, parts and materials ("Products") by Hollysys (Asia Pacific) Pte Ltd and its divisions, subsidiaries, and affiliates ("HAP") to a customer ("Customer"). HAP and Customer is referred to as a "Party" and collectively, the "Parties".
- 1.2. Customer expressly and unconditionally agrees to the terms and conditions of this GTC and further agrees that the terms and conditions of this GTC supersedes the terms or conditions printed or stated in Customer's purchase order or other similar purchase documents ("Order"). For the avoidance of doubt, HAP is deemed to have expressly objected to any conflicting terms and conditions in Customer's Order.
- 1.3. The terms and conditions of this GTC may be amended, varied or modified only with the express agreement in writing executed by the authorized representatives of HAP and Customer. Customer warrants and represents that it has full power and authority to accept, execute and bind itself to performance hereunder. Each Party warrants and represents that the individual accepting and/or amending this GTC is an officer or a principal of the Party on behalf of whom it signs, or has been granted or delegated all requisite power and authority to bind the Party on behalf of which he accepts and/or executes. For the avoidance of doubt, the authorized representative of HAP shall be the Chief Executive Officer.
- 1.4. This GTC is incorporated into all Order Confirmation (as defined below) or other similar communications issued by HAP.
- 1.5. HAP reserves its right to update and revise this GTC from time to time. HAP shall publish the updated GTC at its website or will provide Customer such updated GTC at the soonest possible, if Customer requests.

2. ORDERS

- 2.1. HAP may from time to time provide its quotation ("Quotation"), sales proposal ("Proposal"), product price list and/or product literature to Customer for Customer's consideration. Each Quotation or Proposal is valid for the specific period stated therein and is subject to change at any time without notice. Unless otherwise stated, each Quotation is an invitation to tender only. Any typographical, clerical or other error or omission in any Quotation, Proposal, product price list and/or product literature shall be subject to correction without any liability on HAP's part.
- 2.2. Customer may from time to time place its order for Products by providing an Order to HAP. Each Order is an offer to purchase and is subject to HAP's acceptance of the offer in writing ("Order Confirmation"). A contract between Customer and HAP for the sale and purchase of the Products is formed upon HAP's Order Confirmation ("Contract") and this GTC shall apply to the Contract.
- 2.3. The quantity price and description of the Product shall be set out in the Quotation, Order and/or Order Confirmation.

- 2.4. In the event Customer cancels a confirmed Order, HAP reserves its rights to impose a cancellation charge (“Cancellation Charge”) of:-
- 2.4.1. 25% of the Price if the cancellation is made 1-30 days from the date of the Order Confirmation (such date to count as day 0);
 - 2.4.2. Greater of (i) 25% of the Price or (ii) the percentage of work executed multiplied by the Price, plus the costs of cancellation of all sub-contracts if the cancellation is made 31-45 days from the date of the Order Confirmation (such date to count as day 0); and
 - 2.4.3. 100% of the Price if the cancellation is made after 45 days from the date of the Order Confirmation (such date to count as day 0).

Customer acknowledges and agrees that the Cancellation Charge imposed constitutes genuine and reasonable liquidated damages to defray HAP’s costs for restocking of returns, freight charges and/or any other relevant costs and expenses arises from the cancellation. Customer’s payment of the Cancellation Charge shall be HAP’s sole and exclusive remedy in damages or otherwise for Customer’s cancellation of Order, and HAP shall not have any further obligations to sell or deliver the Products to Customer.

HAP’s determination of the Cancellation Charges shall be final and conclusive.

- 2.5. Customer may make a request for changes to an Order in writing. HAP is not obliged to agree to such request. In the event that HAP agrees to such request, HAP shall inform Customer of the additional costs necessary to implement the changes and Customer shall bear all such additional costs.

3. **PRICES**

- 3.1. The contract price for Products shall be the price stated in the Order Confirmation (“Price”). Unless otherwise stated, the Price is for the Products only and expressly excludes any taxes (including but not limited to sales tax and value added tax), excises, freight, duties, unloading, storage, insurance, other government charges, levies, any other charges or fees related to the Products or for additional services (collectively, “Additional Fees”). Unless otherwise stated, Customer shall bear all Additional Fees.
- 3.2. The Price shall be in United States Dollars and/or Singapore Dollars as set forth in the Order Confirmation. All payments must be in the relevant currency set out therein.
- 3.3. If Customer claims a tax or other exemption, Customer will provide to HAP a valid exemption certificate and indemnify, defend and hold HAP harmless from any taxes, costs and penalties arising from the non-payment or underpayment of any taxes, fees, duties, levies or charges howsoever imposed in relation to and any non-compliance with the conditions or requirements of such exemption certificate. Any increase, changes, adjustments or surcharges which may be incurred shall be borne by Customer.

4. **PAYMENT AND TERMS OF PAYMENT**

- 4.1. HAP has the right to assess and determine the payment terms for each Customer. HAP may, in its sole discretion, vary, modify, suspend or withdraw such payment terms at any time and further require Customer to provide such additional security (including but not limited to standby letter of credit or parental corporate guarantee) to HAP's satisfaction or to make cash payments for the Products.
- 4.2. Unless otherwise determined by HAP in accordance with Clause 4.1 above, Customer shall make payment for the Products as follow:
 - 4.2.1. for deliveries in Singapore, within thirty (30) days from the date of HAP's invoice;
 - 4.2.2. for deliveries outside Singapore, Customer shall make an advance payment of fifty percent (50%) of the Price to HAP's bank account specified in HAP's invoices upon Order Confirmation and make payment for the outstanding amount upon delivery of the Product (each a "Payment Due Date").
- 4.3. All payments shall be made to HAP without discount, deduction, withholding, set off or counterclaim on or before the Payment Due Date. In the event that a deduction or withholding is required under any applicable Law, Customer shall pay such additional amount to HAP such that the net amount received by HAP is equal to the full amount that HAP would have received had the deduction or withholding not been required.
- 4.4. In the event any value added tax, goods and services tax, sales tax or any other similar taxes ("VAT") becomes payable in accordance with the relevant tax legislation at any place, HAP shall issue a valid tax invoice setting out such VAT and the date for its payment in accordance with the requirements of the relevant tax legislation of that jurisdiction where the supply has taken place. Customer shall pay to HAP such amount of VAT in addition to the Price as well as any duty payable and in the same manner as provided for payment of the Price.
- 4.5. If Customer disputes all or any portion of an invoice, Customer shall nevertheless make payment of the disputed amount in accordance with Clause 4.2 above and shall deliver a written notice to HAP stating the disputed amount and the basis for the dispute within seven (7) days of receiving HAP's invoice. If no such notice is served within the 7 days, such invoice shall be deemed correct and accepted by HAP and Customer, and Customer shall be deemed to have waived its right to dispute such invoice.
- 4.6. If Customer fails to make payment by the Payment Due Date, HAP has the right to:
 - 4.6.1. charge interest at 1.5% per month of outstanding payment for the first thirty (30) days from the Payment Due Date, to be calculated on daily basis or the maximum amount allowed by applicable law, plus reasonable attorneys' fees and collection costs until the HAP receives the payment in full;
 - 4.6.2. charge incremental interest rate of additional 0.5% per month for every thirty (30) days' period subsequently, to be calculated on daily basis or the maximum amount allowed by applicable law, plus reasonable attorneys' fees and collection costs until the HAP receives the payment in full; and

- 4.6.3. reschedule or cancel any outstanding delivery of Order and declare all outstanding invoices due and payable immediately.
- 4.7. Notwithstanding anything in this GTC, if HAP, at its sole discretion, comes to a reasonable opinion that there is a material adverse change in Customer's financial condition, HAP shall have the right to suspend delivery, require cash payments or require additional security in accordance with Clause 4.1 above and to apply payments made by Customer to any of its accounts.

5. DELIVERY

- 5.1. Unless otherwise agreed by HAP in writing, all Products will be delivered Ex-Works in accordance with Incoterms 2010.
- 5.2. HAP endeavors to deliver the Products to Customers: (a) for deliveries in Singapore, within eight (8) to twelve (12) weeks upon Order Confirmation; (b) for deliveries outside of Singapore, within twelve (12) to sixteen (16) weeks upon Order Confirmation subject always to advance payment of the Order in accordance with Clause 4.2.2 for deliveries outside Singapore; or (c) on such date as may be mutually agreed between HAP and Customer.
- 5.3. The delivery dates stated in Clause 5.2 above are estimates on a best endeavor basis only and are not intended to be binding on HAP.
- 5.4. HAP will notify Customer once the Products are ready for delivery. Customer shall promptly provide delivery instructions and take delivery of the Products.
- 5.5. At the request of Customer, HAP may agree to make transport and/or insurance arrangements for and on behalf of Customer. When the Products are ready for shipment, HAP will notify Customer and Customer shall promptly give its instructions to ship the Products. Unless otherwise agreed in writing, HAP has the right to select the route and mode of transportation, and to make partial shipment as HAP deems fit.
- 5.6. The cost for such transport and/or insurance arrangements ("Transport Cost") shall be borne by Customer. In the event that Customer requires expedited transport arrangement, Customer shall bear any additional Transport Cost arising from such expedited transport arrangement. Unless otherwise agreed, Customer shall pay to HAP the Transport Cost in advance before shipment of the Products.
- 5.7. Without prejudice to any other right or remedy available to HAP in the event Customer fails to give HAP delivery or shipping instructions promptly in accordance with this Clauses 5.4 and 5.5, HAP may transport and/or store the Products at a storage location selected by HAP. In such event, delivery occurs when: in the case where the Products are transported to a storage location, the Products are placed on any mode of transport to the storage location; and in the case where the Products are stored in the facility where manufactured, the Products are placed in the storage location.

Customer shall pay to HAP all storage cost, including but not limited to, preparation for and placement into storage, handling, freight, storage, inspection, preservation, maintenance, taxes and insurance, upon receipt of HAP's invoice. When conditions permit and upon payment to HAP of all amounts due, Customer shall, at its expense, make arrangements to remove the Products from storage. For the avoidance of doubt, Customer bears all risk of loss, damage or destruction

to Products in storage. Without prejudice to any other right or remedy available to HAP, in the event Customer fails to take delivery of the Products within a reasonable time, HAP may use reasonable endeavors to sell or otherwise dispose the Products or any part thereof at a reasonable price to any third party and shall not have any further obligations to sell or deliver the Products to Customer. In such event, HAP shall have the right to retain the proceeds from such sale or disposal for its own account. Where the proceeds from such sale or disposal is less than the Price and all storage and other reasonable costs properly incurred by HAP for the sale or disposal of the Products (“Shortfall Amount”), Customer shall pay the Shortfall Amount to HAP immediately upon HAP’s demand. HAP’s calculation of the Shortfall Amount shall be final and binding.

6. TITLE AND RISK

- 6.1. HAP shall retain title to and ownership of the Products for any delivery until such Products has been paid in full and payment has been received by HAP. Until such final payment has been received in full by HAP, Customer shall:-
- 6.1.1. hold the Products as bailee for HAP;
 - 6.1.2. keep the Products free from any charge, lien or encumbrance;
 - 6.1.3. insure the Products to their full replacement value and designate HAP as the beneficiary of the insurance policies so taken;
 - 6.1.4. store the Products in a manner that the Products are clearly identifiable as HAP’s property immediately inform HAP in the event of any attachments or seizures or any other disposals by third parties; and
 - 6.1.5. if required by HAP, deliver the Products (whether or not processed) back to HAP.
- 6.2. Notwithstanding anything in this Clause 6, risk in the Products shall pass from HAP to Customer upon delivery.

7. SOFTWARE

- 7.1. HAP may provide, embed or bundle certain software (“Software”) with the Products. Such Software may be third party software or may be integrated with or contain third party software, including open source software. Insofar as the Software is a third party software or is integrated with or contains third party software, the provision and use of such third party software and any related documentation shall be governed by the licensing terms and terms of use of the third party software providers and/or by the relevant applicable open source licensing terms. In such event, HAP may where necessary enter into separate software licensing agreements with Customer to set out the terms and conditions for the use of the Software.
- 7.2. Subject to Clause 7.1 above, HAP grants Customer a non-exclusive right to use the Software solely on the Product for which it was intended and Customer shall not be transfer, decompile or reverse engineer the Software to use the Software separately from the Product.
- 7.3. References to “Software” or “software” shall mean the machine readable (object code) version of computer programs (“Software”).

8. WARRANTY

- 8.1. To the extent legally and contractually permitted, HAP shall pass through to Customer any transferable Product warranties, indemnities, and remedies provided to HAP by the manufacturer. If required by law, HAP warrants that at the time of delivery:-
- 8.1.1. each Product is free from defects in material and workmanship;
 - 8.1.2. each Product materially conforms to the specifications stated by the manufacturers in its published data sheet for the Products, or expressly incorporated into the Contract; and
 - 8.1.3. at the time of delivery, HAP has title to each Product free and clear of any liens and encumbrances,
- collectively, the "Warranties".
- 8.2. All warranty claims shall be time-barred twelve (12) months from the date of delivery ("Warranty Period"). In the absence of a written notice for a warranty claim within the Warranty Period, the use or possession of the Product after expiration of the Warranty Period shall be conclusive evidence that the Warranties have been satisfied.
- 8.3. The Warranties are conditioned on:
- 8.3.1. no repairs, modifications or alterations being made to the Product other than by HAP or its authorized representatives;
 - 8.3.2. Customer handling, using, storing, installing, operating and maintaining the Product in compliance with the parameters or instructions in the manufacturer's published data sheet including but not limited to adequate electrical power, temperature and humidity control;
 - 8.3.3. compliance with all generally accepted industry standards;
 - 8.3.4. Customer discontinuing use of the Product after it has, or should have had, knowledge of any defect;
 - 8.3.5. Customer providing prompt written notice of any warranty claims within the Warranty Period described below;
 - 8.3.6. at HAP's discretion, Customer at its own expense either removing and shipping the Product or non-conforming part thereof to HAP, or granting HAP reasonable access to the Products to assess the warranty claims;
 - 8.3.7. Product not having been subjected to accident (including any accident beyond Customer's control), alteration, abuse or misuse, wilful damage or negligence, normal wear and tear; and
 - 8.3.8. Customer not being in default of any payment obligation.
- 8.4. The Warranties do not apply to any product or equipment not provided by HAP.

- 8.5. Any Product that is described as being experimental, developmental, prototype, or pilot is specifically excluded from the Warranties and is provided to Customer on an “as is” basis with no warranties of any kind.
- 8.6. HAP does not warrant or guarantee that any Product is secured from cyber threats, hacking or similar malicious activity. Products that are networked, connected to the internet, or otherwise connected to computers or other devices must be appropriately protected by Customer and/or end user against unauthorized access.
- 8.7. Customer’s sole remedies for breach of HAP’s Warranties are, at HAP’s discretion: (i) repair of the Products; (ii) replacement of the Products; or (iii) refund of Customer’s purchase price for the Products at issue. The Warranties on repaired or replaced Products are limited to the remainder of the original Warranty Period.
- 8.8. Unless HAP agrees otherwise in writing, Customer will be responsible for any costs associated with: (i) gaining access to the Product; (ii) removal, disassembly, replacement, installation, or reinstallation of any equipment, materials or structures to permit HAP to perform its warranty obligations; (iii) transportation to and from the HAP or third party’s factory or repair facility which shall include all duties and taxes in their respective countries; and (iv) damage to equipment components or parts resulting in whole or in part from non-compliance by the Customer with Clause 8.3 or from their deteriorated condition. All Products replaced under this Warranty will become the property of HAP.
- 8.9. HAP makes no representation or warranty with respect to any Software and will have no liability in connection therewith. Unless it is specifically stated in the Software’s applicable license agreement, the SOFTWARE IS PROVIDED “AS IS” WITH NO ADDITIONAL WARRANTY BY HAP. The sole and exclusive warranties for any software are set forth in the applicable Software License.
- 8.10. Unless expressly provided in this GTC, all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law. THE WARRANTIES IN THIS CLAUSE 8 ARE HAP’S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITS OF LIABILITY IN CLAUSE 12 BELOW. HAP MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.

9. **ENGINEERING SUPPORT SERVICE**

- 9.1. HAP may provide the charges of the engineering support service and other related costs and expenses during or out of the Warranty Period separately at the request of Customer.

10. **INTELLECTUAL PROPERTY RIGHTS**

- 10.1. Customer acknowledges that all Intellectual Property Rights and all corresponding know-how in, related to or associated with the Products and any related software or hardware supplied, and all customization, modifications, adaptations and reproductions thereof whether existing at the start of the Contract or created by HAP during the course of and/or in furtherance of the Contract remains entirely the property of HAP.

- 10.2. Customer must not copy, modify, adapt, translate or create derivative works based upon the Products and must not reverse engineer, decompile or disassemble the Products or otherwise attempt to duplicate the Products or any part thereof.
- 10.3. Nothing contained in this GTC shall convey or deem to convey to the Customer, any title or ownership to the Intellectual Property Rights of any software or hardware relating to the Product.
- 10.4. Any reference to "Intellectual Property Rights" in this GTC shall mean any copyright, patents, design patents, registered designs, design rights, utility models, trademarks, service marks, trade secrets, know how, database rights, confidential information, trade or business names, and any other rights of a similar nature including industrial and proprietary rights and other similar protected rights in any country or jurisdiction together with all registrations, applications to register and rights to apply for registration of any of the aforementioned rights and any licences of or in respect of such rights.

11. INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS

- 11.1. If any action or suit is brought against Customer for the infringement of any Intellectual Property Rights by the use or resale of the Product and unless the claim arises from the use of any drawing, design or specification supplied by Customer, HAP shall be, at its option and expense, entitled to take over the defense of the suit in the country where the Product is delivered by HAP provided that:
 - 11.1.1. HAP is given full and exclusive authority to defend and settle such claim(s) and will pay the damages and costs awarded in any suit or proceeding so defended;
 - 11.1.2. Customer shall give HAP promptly all reasonable assistance, written notice of the suit or proceeding and the authority, information, and assistance needed to defend the claim for the purposes of any such proceedings or negotiations;
 - 11.1.3. except pursuant to a final award, Customer shall not, prior to HAP taking over the defense of the action or suit, make any admission(s) which might be prejudicial to HAP and shall not enter into a settlement without HAP's consent by paying or accepting any such claim, or compromise any such proceedings without the consent of HAP (which shall not be unreasonably withheld). HAP is not responsible for any settlement made without its prior written consent;
 - 11.1.4. without prejudice to any duty of Customer at common law, HAP shall be entitled to require Customer to take such steps as HAP may reasonably require Customer to mitigate or reduce any such loss, damages, costs or expenses for which HAP is liable to indemnify Customer under this Clause.
- 11.2. HAP shall have no obligations hereunder if the Product is:
 - 11.2.1. supplied according to Customer's design or instructions and compliance therewith has caused HAP to deviate from its normal course of performance;
 - 11.2.2. modified by Customer or its contractors after delivery; or

- 11.2.3. combined by Customer or its contractors with devices, methods, systems or processes not furnished hereunder and by reason of said design, instruction, modification, or combination a suit is brought against Customer.
- 11.3. If, in any action or suit, the production, use, manufacture, sale or resale of the Product is held to constitute infringement of Intellectual Property Rights, or the practice of any process using the Product is finally enjoined, HAP shall, at its option and its own expense, either:-
- 11.3.1. procure for Customer the right to continue using the Product; or
- 11.3.2. modify or replace it with non-infringing Product; or
- 11.3.3. with Customer's assistance, modify the process so that it becomes non-infringing; or
- 11.3.4. remove it and refund the purchase price allocable to the infringing Product.
- 11.4. Clauses 11.1 to 11.3 provides for HAP's entire liability of HAP with respect to Intellectual Property Rights infringement. Customer shall not have any other recourse or remedies save for those expressly provided for in Clauses 11.1 to 11.3 herein.
- 11.5. If:-
- 11.5.1. a Product or any part thereof is modified by Customer, or combined by Customer with Product or processes not furnished under this GTC (except to the extent that HAP is a contributory infringer) or the said Product or any part thereof is used by Customer to produce an article, and by reason of the said modification, combination, performance or production, an action is brought against HAP; or
- 11.5.2. a Product is manufactured or any process is to be applied to the Product by HAP in accordance with a specification submitted by Customer,

Customer shall indemnify HAP against all loss, damages, costs and expenses awarded against or incurred by HAP in connection with any claim for infringement of any patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person which results from HAP's manufacture or application of Product in accordance with Customer's specification.

12. **LIMITATION OF LIABILITY**

- 12.1. Notwithstanding anything in this GTC or the Contract, HAP's liability to Customer is limited to Customer's actual documented direct damages up to an amount not exceeding the Price of the Product at issue that give rise to the claim. This limitation of liability does not apply in case of death or personal injury caused by HAP's negligence.
- 12.2. HAP is not liable for and Customer is not entitled to any indirect, special, incidental or consequential damages (for example, loss of profits or revenue, loss of data, loss of use, rework, repair, manufacturing expense, costs of product recall, injury to reputation or loss of customers). To the extent HAP cannot lawfully disclaim any implied or statutory warranties, Customer's statutory rights are not affected by this limitation of liability.
- 12.3. CUSTOMER AGREES THAT THE EXCLUSIONS AND LIMITATIONS IN THIS CLAUSE 12 WILL PREVAIL OVER ANY CONFLICTING TERMS AND CONDITIONS IN THIS GTC AND THE

CONTRACT AND MUST BE GIVEN FULL FORCE AND EFFECT, WHETHER OR NOT ANY OR ALL SUCH REMEDIES ARE DETERMINED TO HAVE FAILED THEIR ESSENTIAL PURPOSE. THESE LIMITATIONS OF LIABILITY ARE EFFECTIVE EVEN IF HAP HAS BEEN ADVISED BY CUSTOMER OF THE POSSIBILITY OF SUCH DAMAGES. THE WAIVERS AND DISCLAIMERS OF LIABILITY, RELEASES FROM LIABILITY AND LIMITATIONS ON LIABILITY EXPRESSED IN THIS CLAUSE 12 EXTEND TO HAP'S AFFILIATES, PARTNERS, PRINCIPALS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, SUPPLIERS, AGENTS, AND SUCCESSORS AND ASSIGNS.

13. CUSTOMER'S APPLICATIONS AND COMPLIANCE

13.1. Customer shall be responsible to HAP for:

13.1.1. ensuring the accuracy of the process application of the Product and for defining and specifying the hardware configuration in meeting the process requirements;

13.1.2. any deficiencies affecting or influencing the Product at Customer's site, including, but not limited to, input signals, power and environmental conditions outside specified limits and improper application engineering; and

13.1.3. providing all necessary information required by HAP to perform the contract in accordance with its terms.

13.2. Customer is solely responsible for the design, validation, and testing of its applications as well as for compliance with all legal, regulatory, and safety-related requirements concerning its applications. Industry best practices generally require that Customer conducts qualification tests on actual applications taking into account possible environmental and other conditions that Customer's application may encounter. Customer represents that, with respect to its applications, it has all the necessary expertise to create and implement safeguards that (1) anticipate dangerous consequences of failures, (2) monitor failures and their consequences, and (3) lessen the likelihood of failures that might cause harm, and to take appropriate remedial actions. Customer agrees that prior to using or distributing any systems that include Products, Customer will thoroughly test such systems and the functionality of such Products as used in such systems.

13.3. HAP may provide Customer technical, applications, or design advice (including reference designs), quality characterization, reliability data, or other services. Customer agrees that providing these services does not expand or otherwise alter HAP's warranties as set forth above and no additional obligations or liabilities arise from HAP providing such services or items. HAP PROVIDES ALL SERVICES AND ITEMS TO CUSTOMER (OTHER THAN "PRODUCTS" DEFINED IN THE CONTRACT) ON AN "AS IS" BASIS AND "WITH ALL FAULTS." HAP DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING SUCH SERVICES AND ITEMS, INCLUDING, BUT NOT LIMITED TO, ANY EPIDEMIC FAILURE WARRANTY OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

13.4. Where HAP specifically promotes Products as facilitating functional safety or as compliant with industry functional safety standards, such Products are intended to help enable customers to design and create their own applications that meet applicable functional safety standards and requirements. Using Products in an application does not by itself establish any safety features in the application. Customer must ensure compliance with safety-related requirements and standards applicable to its applications.

- 13.5. HAP may expressly designate certain Products as completing a particular qualification (e.g., Q100, Military Grade, or Enhanced Product). Customer agrees that it has the necessary expertise to select the Product with the appropriate qualification designation for its applications and that proper Product selection is at Customer's own risk. Customer is solely responsible for compliance with all legal and regulatory requirements in connection with such selection.
- 13.6. Customer may not use any Products in life-critical medical equipment unless authorized officers of the Parties have executed a special contract specifically governing such use. Life-critical medical equipment is medical equipment where failure of such equipment would cause serious bodily injury or death (e.g., life support, pacemakers, defibrillators, heart pumps, neurostimulators, and implantables). Such equipment includes, without limitation, all medical devices identified by the U.S. Food and Drug Administration as Class III devices and equivalent classifications outside the U.S.
- 13.7. Product information (for example, statements or advice (technical or otherwise) advertisement content, and information related to a Product's specifications, features, export/import control classifications, uses or conformance with legal or other requirements) is provided by HAP on an "AS IS" basis and does not form a part of the properties of the Product. HAP makes no representation as to the accuracy or completeness of the Product information, and **DISCLAIMS ALL REPRESENTATIONS, WARRANTIES AND LIABILITIES UNDER ANY THEORY WITH RESPECT TO THE PRODUCT INFORMATION**. Customer shall independently verify and validate any Product Information before using or acting on such information. All Product information is subject to change without notice. HAP is not responsible for typographical or other errors or omissions in Product information.
- 13.8. Customer agrees to indemnify and hold HAP harmless from all injury, losses, costs, damages and/or liabilities (including legal costs) incurred by HAP as a result of Customer's negligence or of any default or breach by Customer of the provisions herein or enforcement by HAP of any of HAP's rights or Customer's obligations hereunder, or arising from Customer's use of Product or any part thereof for any purpose or in any manner other than that for which the Product is delivered, including modifications or use thereof in connection with items supplied by others.

14. **FORCE MAJEURE**

- 14.1. A Party is not liable for any failure to perform, or delay in performing ,its obligations (other than an obligation to pay money when due) under this GTC or the Contract due to causes beyond its reasonable control (regardless of whether the cause was foreseeable), including but not limited to, acts of nature, acts or omissions of Customer, explosion, flood, tempest, operational disruptions, fire, accident, war, delay of carriers, cyber-attacks, terrorist attacks, man-made or natural disasters, epidemic medical crises, materials or Product shortages, criminal acts, delays in delivery or transportation, labor disturbance or inability to obtain labor, materials or Products through regular sources, acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority or inaction of government, strikes, lock-outs or other industrial actions or trade disputes (each a "Force Majeure Event").
- 14.2. In the event of any failure or delay of a Party's performance due to the occurrence of a Force Majeure Event, the Party affected shall use reasonable endeavors to resume full performance of its obligations under the Contract. HAP's time of performance will be extended by a period equal to the length of the delay plus any consequences of the delay. HAP will notify Customer within a reasonable time after becoming aware of any such delay.

- 14.3. A Party seeking relief under this Clause 14 shall promptly notify the other Party in writing of the said delay or failure and the event relied upon for such failure or delay. The dates for the performance and or delivery shall be correspondingly extended by a period or periods equal to the duration of such event(s).
- 14.4. Should both Parties be prevented from fulfilling their respective contractual obligations by a Force Majeure Event lasting for a period of more than three (3) months, either Party may, with written notice to the other Party, terminate the Contract. In such event, Customer shall pay HAP as full and final compensation, the remaining unpaid balance of the Price, pro-rated according to the percentage of the work completed by HAP at the date of such termination.

15. USE OF PRODUCTS

- 15.1. Customer shall comply with the manufacturer's Product specifications. Products are not authorized for use in life support systems, human implantation, nuclear facilities or any other application where Product failure could lead to loss of life or property damage.
- 15.2. If Customer uses or sells the Products for use in such applications or fails to comply with the manufacturer's Product specifications, Customer acknowledges that such use, sale, or non-compliance is at Customer's sole risk. Customer shall indemnify, defend and hold HAP harmless from any claims based on: (i) HAP's compliance with Customer's designs, specifications, or instructions, (ii) modification of any Product by anyone other than HAP, or (iii) use of Products in combination with other products or in violation of this Clause.

16. EXPORT/IMPORT

- 16.1. Certain Products and related technology sold by HAP are subject to export control regulations of the United States of America, the European Union, and/or other countries, excluding boycott laws ("Export Laws"). Customer shall comply with such Export Laws and obtain any license or permit required to transfer, export, re-export or import the Products and related technology. Each Party shall secure, at its own expense, such authorization and export and import documents as are necessary for each respective party to fulfill its obligations under the Contract. Further, Customer shall give notice of the need to comply with such laws and regulations to any person, firm, or entity which it has reason to believe is obtaining any such Product from Customer with the intention of exportation. If government approvals cannot be obtained by HAP, HAP may terminate, cancel, or otherwise be excused from performing any obligations it may have under these terms.
- 16.2. Customer acknowledges and agrees that Products may not be sold, exported, re-exported, transferred, or resold to any embargoed, sanctioned, or restricted destinations in accordance with the Exports Laws. Customer shall not export or re-export the Products and related technology to any country or entity to which such export or re-export is prohibited, including any country or entity under sanction or embargoes administered by the United States, European Union or other countries.
- 16.3. Customer further acknowledges and agrees that Products may not be exported, re-exported, transferred, or resold to a person or entity barred by the U.S. Government (collectively, "Denied Persons") from participating in export activities. Denied Persons include, but are not limited to, those individuals or entities listed on the Commerce Department's Denied Persons List, the Commerce Department's Entity List, the Directorate of Defense Trade Controls' List of Statutorily Debarred Parties, and the Treasury Department's List of Specially Designated Nationals. Customer further agrees that it will not export, re-export, or transfer to the United States on HAP's behalf or

for HAP's benefit any goods, services, or technology from any embargoed/sanctioned country or from any Denied Person that will be imported into the United States, directly or indirectly, without a required authorization from the Treasury Department's Office of Foreign Assets Control ("OFAC"). The above lists of U.S. embargoed/sanctioned or restricted destinations, entities, or Denied Persons are subject to change.

- 16.4. Customer also acknowledges and agrees to observe all other applicable restrictions concerning other end-uses/end-users according to other laws and regulations (e.g., European Commission regulations or any other national regulations). At HAP's request, Customer shall provide to HAP a Letter of Assurance and End-User Statement in a form reasonably satisfactory to HAP or the relevant authority.
- 16.5. Customer shall not use the Products and related technology in relation to chemical, biological or nuclear weapons, rocket systems (including ballistic missile systems, space launch vehicles and sounding rockets) or unmanned air vehicles capable of delivering same, or in the development of any weapons of mass destruction.
- 16.6. To the extent applicable, Customer undertakes to refrain from the following transactions under all circumstances: (a) transactions involving persons, organizations, or institutions listed in any applicable sanctions list, (b) prohibited transactions involving embargoed countries, and (c) transactions subject to any license requirement for which the necessary export license has not been granted.
- 16.7. If Customer violates any of its obligations and commitments under this Clause 16, HAP may terminate, cancel, or otherwise be excused from performing any obligations it may have under this GTC or the Contract. Customer will fully indemnify HAP and its representatives against any damages, costs, losses, and/or liabilities arising out of Customer's non-compliance with this Clause.

17. TERMINATION AND/OR SUSPENSION OF SUPPLIES

- 17.1. In the event that:
 - 17.1.1. the Customer is in breach of the Contract; or
 - 17.1.2. the Customer makes any voluntary arrangement with its creditors or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction) or has an order made or resolution passed for such winding-up or shall otherwise become insolvent or make such proposal, assignment or arrangement for the benefit of its creditors or have a receiver or manager appointed over its affairs or have an application made to court for the appointment of a judicial manager or be placed under a judicial management order; or
 - 17.1.3. an encumbrancer takes possession of, or a receiver is appointed over, any of the property or assets of the Customer; or
 - 17.1.4. the Customer ceases or threatens to cease to carry on business; or
 - 17.1.5. there is a change in control of the Customer which in the reasonable opinion of HAP adversely affects the position, rights or interests of HAP (For the purpose of this sub-

Clause, “control” means the ability to direct the affairs of another whether by virtue of contract, ownership of shares, or otherwise howsoever); or

- 17.1.6. in the reasonable opinion of HAP, there occurs a material change in the financial position of the Customer which is likely to affect the Customer’s ability to perform its obligations under the Contract; or
- 17.1.7. HAP reasonably apprehends that any of the events mentioned above is about to occur in relation to the Customer and notifies the Customer accordingly,

HAP shall be entitled to, by written notice to Customer, (i) terminate the Contract forthwith on the occurrence of each of the events in Clauses 17.1.2, 17.1.3, 17.1.4 or 17.1.5 or suspend any further deliveries, production or commissioning works under the Contract without any liability to the Customer on the occurrence of each of the events in Clauses 17.1.1, 17.1.6 and 17.1.7, and upon the issuance of HAP’s written notification of such termination or suspension, (ii) if the Supplies have been delivered or completed but not paid for, the Price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary, and (iii) HAP shall be entitled to retain any security given or monies paid by Customer and apply the said security or monies against the assessed losses and damages, if any, suffered by HAP, or if there is no such security or monies paid by the Customer, to recover the same otherwise.

- 17.2. Upon the issuance by HAP of a written notification giving notice of the suspension of any further deliveries, production or commissioning works under the Contract pursuant to Clause 17.1, the Customer shall:
 - 17.2.1. if the suspension is due to or arises from a breach by the Customer of the Contract under Clause 17.1.1, remedy such breach within fourteen (14) days of the written notification of suspension, failing which HAP shall be entitled to terminate the Contract forthwith by issuance of a written notice to the Customer; or
 - 17.2.2. if the suspension is due to or arises from a material change in the Customer’s financial position in accordance with Clause 17.1.6, provide HAP with a bank guarantee or such other security (“Security”) to HAP’s reasonable satisfaction within thirty (30) days of the written notification of suspension, failing which HAP shall be entitled to continue the suspension until HAP is provided with such Security or to terminate the Contract forthwith by issuance of a written notice to the Customer; or
 - 17.2.3. if the suspension is due to or arises from a Clause 17.1.7 event, provide HAP with proof to HAP’s reasonable satisfaction, within thirty (30) days of the written notice of suspension, that the relevant event, the occurrence of which HAP reasonably apprehends, is not occurring and will not occur, failing which HAP shall be entitled to continue the suspension until HAP is provided with such proof or to terminate the Contract forthwith by issuance of a written notice to the Customer. In the event the Contract is terminated pursuant to any of Clauses 17.2.1 to 17.2.3, HAP shall, in addition and without prejudice to the remedies in Clause 17.1, be entitled to recover all losses and damages from the Customer.
- 17.3. The losses and damages in Clauses 17.1(iii) and 17.2 shall include but are not limited to all costs, expenses and liabilities reasonably incurred by HAP in respect of Products that are partially completed as well as any costs, expenses and liabilities in expectation of the completion of the supplies. Termination of the Contract by HAP shall not discharge the Customer from any existing obligation accrued due on or prior to the date of termination.

17.4. The rights and remedies granted to HAP pursuant to the Contract are in addition to, and shall not limit or affect, any other rights or remedies available at law or in equity.

18. GENERAL

18.1. The Contract shall be governed, construed, and enforced in accordance with the laws of Singapore without reference to the conflict of laws principles. The United Nations Convention for the International Sale of Goods shall not apply.

18.2. Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (“Rules”) for the time being in force, which Rules are deemed to be incorporated by reference in this clause. The Tribunal shall consist of one arbitrator to be appointed by the Chairman of SIAC and mutually agreed upon by the parties. The language of arbitration shall be English.

18.3. The prevailing party in any legal proceedings brought by or against the other party to enforce any provision or term of the Contract shall be entitled to recover against the non-prevailing party the reasonable attorneys' fees, court costs and other expenses incurred by the prevailing party. A person who is not a party to this GTC and the Contract shall have no rights under this GTC or the Contract under the Contracts (Rights of Third Parties) Act (Chapter 53B) or under any other similar applicable law, statute or regulation.

18.4. Customer may not assign the Contract without HAP's prior written consent. HAP's affiliates may perform HAP's obligations under the Contract. This GTC and the Contract is binding on successors and assigns.

18.5. The unenforceability or invalidity of any of the terms or conditions of this GTC shall not affect the enforceability or validity of the remaining terms or conditions.

18.6. Products, including Software or other Intellectual Property Rights, are subject to any applicable rights of third parties, such as patents, copyrights and user licenses, and Customer shall comply with such rights.

18.7. Customer shall observe and comply with all applicable laws, rules and regulations applicable to the performance of their respective obligations under the Contract including, but not limited to, anti-corruption laws (such as the U.S. Foreign Corrupt Practices Act and U.K. Bribery Act) and regulations in respect of import or export of Products.

18.8. To the extent that electronic signatures are available, the Parties agree that electronic signatures may be used and will be legally valid, effective, and enforceable.

18.9. HAP and Customer are independent contractors and agree that this GTC and the Contract do not establish a joint venture, agency relationship, or partnership.

18.10. HAP's failure to object to any document, communication, or act of Customer shall not be deemed a waiver of any of the terms and conditions of this GTC or the Contract.

18.11. HAP and Customer shall maintain in confidence and safeguard all Confidential Information. “Confidential Information” means any information that is marked or otherwise

identified as confidential or proprietary at the time of disclosure, or any information, by its nature that should be deemed confidential and does not include information that is in the public domain. Each Party agrees to use any Confidential Information only for the purpose of conducting business with each other under the Contract. Customer or HAP may seek interim or temporary injunctive relief in any court of appropriate jurisdiction with respect to any alleged breach of each party's intellectual property or proprietary rights.

- 18.12. HAP may translate the Contract into any language for ease of comprehension but, in the event of any conflict or inconsistency between the Contract and the translated version, the English version shall prevail.
- 18.13. The Clauses titled "Limitation of Liability", "Confidentiality", "Delivery", "Title and Risk of Loss" and "Export / Import" survive termination, expiration or cancellation of the Contract.