

NEFAB GENERAL CONDITIONS OF PURCHASE (THE “GENERAL CONDITIONS”)

Valid from 2021-08-19

APPLICABILITY

1. These General Conditions shall apply on all purchases of goods made by Nefab (Malaysia) Sdn Bhd and/or any of its affiliates (the “**Buyer**”) from its suppliers (the “**Seller**”). Deviations from these General Conditions shall not apply unless specifically agreed in writing by authorised representative of the Buyer.
2. It is acknowledged that any affiliate of Nefab (Malaysia) Sdn Bhd may purchase goods from the Seller on the same terms and conditions as stated herein. Nefab (Malaysia) Sdn Bhd takes no liability or responsibility for any of its affiliates.
3. The Order (as defined below), these General Conditions, any agreed written specification or any other agreement, promises or undertakings made in writing by the Buyer in whatever form shall constitute the full agreement in relation to purchase of goods by the Buyer from the Seller (the “**Contract**”). The Buyer shall be bound by no other terms and conditions than those set out in the Contract.

ORDERS

4. A binding Contract shall be deemed to be concluded upon confirmation by the Seller of a purchase order from the Buyer (the “**Order**”), or, if no confirmation has been issued, upon the expiry of two (2) working days after the Seller’s receipt of the Order. If the Seller would like not to be bound by the Order or if it wants to include any other conditions or change price, quantity or anything else contained in the Order it must clearly inform the Buyer that the Order is refused and also state the reasons therefore. Deviations made in the form of a “confirmation” that does not correspond with the Order are not valid. The Buyer will not be bound by anything contained in the order confirmation made by the Seller if it deviates from the content of the Order, unless the Buyer issues a written confirmation hereof to the Seller.
5. The Buyer may change or cancel an Order in whole or in part.
6. No forecast, provided by the Buyer, shall be considered binding or be interpreted as an undertaking to purchase such amounts of goods from the Seller.

DELIVERY

7. Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the Contract. If no trade term is specifically agreed, the delivery shall be DAP Buyer’s location (defined INCOTERMS 2020, as amended).
8. All goods shall be delivered not later than on the date stated in the Order. The Seller is aware that the Buyer may suffer damages as a result of late delivery, even if the delay is only attributable to part of the goods.
9. If the Seller finds that it will not be able to meet the agreed delivery date it shall immediately notify the Buyer thereof in writing, stating the cause of the delay and indicating the date on which it expects to be able to deliver.
10. Should a delivery or part-delivery be delayed, the Buyer shall be entitled to demand that the Seller perform his duties under the Contract, or, if the delay is not insignificant to the Buyer, cancel the Contract upon giving written notice thereof to the Seller.
11. In addition, the Buyer shall be entitled to liquidated damages amounting to 5% of the value of the delayed goods for each commenced business day of delay calculated from the agreed date of delivery to the date of actual delivery. The Buyer shall have the right to set off liquidated damages against the Seller’s invoices. The Buyer is entitled to additional compensation for the cost, loss and damage it

suffers due to the delay of the goods to the extent such cost, loss or damage exceed the liquidated damages.

12. If the buyer is unable to receive the goods on the delivery date, upon the buyer’s request, the seller must store and maintain the goods in a marketable state.

PRICE

13. If no price is stated in the Contract, the Seller shall invoice the Buyer according to the lowest market price at the time of the Order. All prices are exclusive of VAT. The Buyer shall pay applicable VAT and customs duties. The Seller shall pay all other taxes, fees and other levies and charges of whatever nature. The Buyer will not accept any fees or costs for packaging unless agreed to in writing.

PAYMENT

14. The Seller may not issue an invoice prior to delivery of the goods to the Buyer.
15. Payment terms: 90 days net from such date as the Buyer has received a correct invoice according to Buyer’s instructions or upon agreed days of payment term by the Seller. Invoices shall state Buyer’s Order number or other clear reference to the Contract.
16. The ownership of the relevant parts of the goods will be transferred to the Buyer at the following times (whichever is the earlier):
 - a) when the price of the relevant parts of the goods is paid; and
 - b) when the goods are delivered at the agreed receiving place.
17. The risk of the goods is transferred to the Buyer from the date of delivery.

PACKING AND LABELLING

18. Packing and package shall be in accordance with specific instructions from the Buyer. If no specific instructions have been given by the Buyer, the packing and package shall give the protection required to prevent damage to or deterioration of the goods during transport, and shall comply with national or industry standards. All goods shall be identified with part and Order numbers or other clear reference to the Contract. All goods must be identified with a label including:
 - a. Nefab Purchase order;
 - b. Supplier delivery note;
 - c. Nefab Item number;
 - d. Supplier Item number; and
 - e. Goods quantity per pallet/bundle.

MATERIAL COMPLIANCE

19. The packaging material must be in compliance with environmental regulations, including but not limited to the banned and restricted materials list. (https://www.nefab.com/globalassets/nefab.com--group-site/documents/nefab_restricted_material_list.pdf.)

WARRANTY AND LIABILITY FOR DEFECTS

20. The Seller warrants and guarantees that the goods will be in accordance with specifications and (i) perform and conform to the terms set forth in the Contract; (ii) be sufficient and suitable for the purposes intended; (iii) comply with any requirements set forth in applicable law, regulations and

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trade standards; and (iv) be free from defects, deficiencies and non-conformities in production, design, materials and workmanship. Goods not in compliance with the foregoing shall be regarded as defective.

21. The Buyer shall make a general inspection of the goods within a reasonable time after delivery, but has the right to give the Seller notice of any individual defects as they appear to the Buyer, meaning that in each delivery there may be individual defects appearing at different times and occasions and that the Buyer may give notice of such individual defects as they appear to the Buyer.

After receiving such notice the Seller shall at Buyer's option:

- a) repair or replace the goods found to be defective as soon as possible after notification;
- b) refund to the Buyer any and all remunerations paid in relation to such goods; or
- c) terminate the Order or the Contract if the defect is not insignificant.

In addition, the Buyer shall be entitled to compensation for the cost, loss and damage it suffers due to the defects of the goods.

Inspection and approval under this clause shall not imply acceptance of the goods by the Buyer nor relieve the Seller from any liability and obligations under this Agreement.

22. Goods returned under clause 21 will be delivered to the Seller at the Seller's expense and risk.
23. Payment of purchased goods shall not be regarded as acceptance of the goods by the Buyer and shall not affect any of the Buyer's rights under clauses 20-21.
24. The Seller shall ensure that its sub-contractors, if any, act in accordance with the Contract in all respects and the Seller shall remain fully liable for each sub-contractor's obligations and liabilities as for its own.
25. The warranties and guarantees of the Seller as stated in clause 20 shall be in force for six (6) to twenty four (24) months after the date of delivery of the goods. When defective goods have been remedied or replaced, the Seller shall be liable for defects in such goods under the same terms and conditions as those applicable to the original goods and the time set in this clause counted from the date of remedy or replacement.
26. During the warranty period, the seller will reply to the buyer within **[2]** hours after receiving the notification from the buyer, propose a preliminary solution and solve the problem within **[2]** days. If personnel are required to be on site, the seller will appoint professionals to the buyer to deal with quality issues within **[3]** days after receiving the notice. If the seller does not respond or provide services within the specified time, the buyer has the right to deal with the quality problem by himself or by a third party, and all losses caused by the buyer shall be borne by the seller.

PRODUCT LIABILITY

27. Should the purchased goods have a defect which causes damage to persons or to property other than the purchased goods, the Seller shall indemnify and hold the Buyer harmless for any cost, loss or expenses relating to such damage, including legal fees.

INSURANCE

28. The Seller shall maintain adequate liability insurance, including but not limited to product liability, covering claims up to at least 5 million EURO per claim.

LIABILITY FOR INFRINGEMENTS

29. The Seller shall be responsible for any infringement the goods may constitute in any intellectual property right of a third party and undertakes to indemnify and hold the Buyer harmless for any cost, loss or expenses in relating to any such infringement.

GROUND FOR RELIEF (FORCE MAJEURE)

30. Neither party shall be liable for any failure or delay in performance of its obligations under the Contract arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control and which could not reasonably be foreseen, including, without limitation; pandemic, fire, flood, earthquake or like acts of God, acts of war or terrorism, civil or military disturbances, industrial disputes, requisition, seizure, trade and currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power and defects or delays in deliveries by sub-contractors caused by any such circumstance as referred to in this clause. The party wishing to claim relief under this clause shall without delay notify the other party in writing on the intervention and on the cessation of such circumstance.
31. Notwithstanding other provisions of these General Conditions, either party shall be entitled to terminate the Contract by notice in writing to the other party, if performance of the Contract is delayed more than three months by reason of any grounds for relief as described in clause 30.

TERMINATION

32. Either party may at any time terminate the Order or the Contracts, with immediate effect and without compensation to the other party if:
- a) the other party should pass a resolution, or any court should make an order, that the other party shall be wound up or if a trustee in bankruptcy, insolvency, liquidator, receiver, or manager on behalf of a creditor should be appointed or if circumstances shall arise which would entitle the court or a creditor to make a winding-up order, or
 - b) the other party has materially breached the Contract.

ASSIGNMENT

33. The Seller may not assign a Contract or the rights and obligations hereunder without the prior written consent by the Buyer.

CONFIDENTIALITY

34. The Seller undertakes to keep confidential any information relating to the business relationship with the Buyer and will refrain from using the Buyers' name in marketing or otherwise. Any drawings or any other documentation provided to the Seller will be the sole property of the Buyer and the Seller undertakes not to transmit any such information to any third party or to use the information contained in such documents for any other purpose than the due fulfilment of Contract.

CODE OF CONDUCT

35. The Code of Conduct of the Buyer is available at <https://www.nefab.com/en/sustainability/code-of-conduct/> the Seller acknowledges the Code of Conduct of the Buyer and commits to follow the Code of Conduct as applicable from time to time, as well as incorporate the rules therein in its business. The Seller shall ensure that its sub-contractors, if any, act in accordance with the Code of Conduct. The Seller shall, upon the Buyer's request, demonstrate its compliance with the Code of Conduct. In the event of the Seller's breach of or non-compliance with the Code of Conduct, the Buyer

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shall have the right to immediately and without any cost or other compensation to Seller terminate the Contract by giving the Seller written notice thereof.

DISPUTES, APPLICABLE LAW

36. Any dispute, controversy or claim arising out of or in connection with these General Conditions and any Contract, or the breach, termination or invalidity thereof, shall be referred to a single arbitration to be agreed by the parties. In the event the parties fail to agree on an arbitrator within seven days of such referral, then it may be referred to an arbitrator appointed by the Asian International Arbitration Centre in Kuala Lumpur. Such arbitration shall be in accordance with and subject to the provision of the Rules of the Asian International Arbitration Centre.

The language to be used in the arbitral proceedings shall be English and the venue shall be in Kuala Lumpur or Penang.

37. Malaysia substantive law shall apply for these General Conditions and Contracts as well as any disputes relating to these.

NOTICE

38. Any notice required or permitted to be given by either party under the Contract shall be in writing in English and may be sent by registered airmail letter, by e-mail or by personal delivery. Notices shall be sent or given to the other party's appointed representative.

39. If the Buyer has to compensate the Seller for the loss according to the contract or legal provisions, the Buyer shall only compensate for the direct loss, not including the indirect loss (including but not limited to any reduction of profit or operating income, loss of production stop, loss of raw materials and energy consumption, loss of power failure, loss of depreciation, loss of use, loss of contract, etc.). No matter whether there are other provisions to the contrary in this contract, the Buyer's compensation for breach of contract and actual loss under this contract shall not exceed **[5]** % of the total contract price.

40. The seller shall ensure that its staff perform services on the buyer's customer premises in the name of the buyer under the witness of the buyer. In case of violation of the above regulations, the seller shall pay the buyer MYR 6,500 as a fine every time it is found, and the seller shall compensate the buyer for all losses caused by it or return unjust gains (including indirect losses such as opportunity losses). When the buyer discovers that the seller has breached the contract more than 3 times (including 3 times), the buyer has the right to terminate this contract and require the seller to pay a penalty of **[30]** % of the contract amount, which is not enough to make up for the buyer's losses.

COMPLIANCE OF ENVIRONMENTAL LAWS AND REGULATIONS

(APPLICABLE TO SELLERS THAT PERFORM SUBCONTRACTED WORK IN BUYER'S FACILITIES OR ON BEHALF OF THE BUYER)

41. The Supplier is obliged to implement and to comply with any and all from time to time applicable environmental laws and regulations associated with the performance of activities in relation to waste management, air emissions, noise or spills, demanding compliance in any work carried out on the Buyer's or its customers' facilities.

HEALTH AND SAFETY

(APPLICABLE TO SELLERS THAT PERFORM SUBCONTRACTED WORK IN THE BUYER'S FACILITIES OR ON BEHALF OF THE BUYER)

42. The Seller shall provide safety personnel and security elements required to carry out the relevant work.
43. The Seller shall obtain the appropriate permissions for entry into work areas and the relevant facilities of the Buyer from the person in charge at the facility, without whose approval the Seller shall not initiate any work. The Seller shall also at all times fully comply with the instructions given.
44. Before any work is started and on a daily basis, the Seller shall submit to the Buyer's person in charge at the facility a nominal list of staff who will enter the facility for or on behalf of the Seller in execution of work under a contract. If workers do not change during the contract, initial presentation of this information shall be considered sufficient.
45. If the Seller requests a third company's services to develop works under contract, the Seller shall inform and get the prior approval from the Buyer, and the Seller shall thereafter establish appropriate coordination. The Seller will be fully liable and responsible for any work or action by such third company and its staff, and shall enforce in relation to the third company the instructions, standards and work procedures, laws, regulations and contractual provisions applicable from time to time.
46. The Seller shall, and procure that its employees and representatives, at all times fully observe any and all instructions, standards and mandatory work procedures to be applied at the Buyer's or its customers' facilities, and laws, regulations and contractual provisions applicable from time to time.
47. Expressly, the “Seller” declares to know Legal Norms and Application Instructions regarding Occupational Health and Safety.
48. If the seller is required to work in the premises designated by the buyer, the seller shall bear its own expenses and abide by all rules of the buyer's premises. These rules include but are not limited to: use appropriate personnel protection equipment, participate in on-site induction training, remove all garbage, debris, excess materials and temporary building structures, and keep the site tidy. The seller shall be liable for the risk of loss and damage to all materials used or to be used before the completion of the contract.
49. The relationship between the seller's personnel and the seller is a labor relationship, and does not have any labor legal relationship with the buyer. It has nothing to do with the buyer. That is, if the buyer is required to pay compensation or any other payment due to the seller's staff, the buyer will have the right to make a full payment to the seller. Recovery. In the event of a work-related accident or personal injury or death of the seller's personnel during the provision of services, the seller shall bear all the responsibilities, all costs and work-related injury treatment, etc., irrespective of the buyer (that is, once the buyer suffers any injury due to the aforementioned work-related injury or personal injury of the seller's staff) In case of actual losses, the buyer has the right to fully recover from the seller).

LEGAL AND OTHER QUALITY STATEMENTS AND REPORTS

50. The Seller shall provide the Buyer with any and all statements and reports required according to applicable laws and regulations related to an Order or Contract, such as license, authorizations or statements of compliance. Mentioned documents will be considered as mandatory for invoicing of supplied products and services under an Order or Contract.

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51. The Seller shall provide the Buyer with any and all documents regarding technical features of supplied products and services under an Order or Contract, including but not limited to those concerning quality and compliance according to an Order or Contract.

AUDITS

52. The Buyer is authorized to perform audits of the Seller's facilities and/or production processes in order to verify that supplied products and services under an Order or Contract comply with agreed quality requirements and the provisions of the Contract. The Seller may request from the Buyer information about the results of the audit, and shall be entitled to present evidence against potential non-conformities. The Seller shall establish appropriate corrective and preventive actions to correct any defects found which could lead to deviations of supplied product or service quality.

DATA PROTECTION

53. The parties hereby acknowledge and consent to the collection, processing, storing, disclosure and transfer of the parties' personal data and sensitive personal data provided by the parties pursuant to this Agreement including without limitation for the specific purposes identified in this Agreement. In particular, the parties consent to:
- i. the collection, processing, storing, disclosure and transfer of sensitive personal data about the parties herein for the purposes described in this Agreement; and
 - ii. the collection, processing, storing, disclosure and transfer of personal data held about the parties herein where disclosure to such third parties is required in the normal course of practice or by law or for the enforcement of this Agreement. The reference to "sensitive personal data" is to the various categories of personal data identified in the Personal Data Protection Act 2010.
54. Both parties shall have the right to process necessary personal data concerning the other party's employees or other contact persons that may be acquired in connection with the Contract, including, but not limited to, names and contact details. Each party processing personal data in accordance with this clause shall be considered controller regarding their respective processing. The purpose of the processing is to enable the performance of the parties' respective obligations and cooperation under the Contract, such as the administration of the contractual relationship, the provision of information and other communication. The processing of personal data will be supported by a balance of interests in order to meet each party's legitimate needs in managing the contractual relationship.
55. For more information about Nefab's processing of personal data and the rights of data subjects, see "Information to Business Partners" on Nefab's website, www.nefab.com, or contact privacy@nefab.com.
56. Each party is obliged to ensure that its employees and other potential contact persons whose personal data is processed by the other party have received information on the processing in accordance with clauses 53-55.

OTHERS

57. These general terms are made in four copies, each of which holds two copies, which will take effect after both parties have sealed or signed by their authorized representatives.