

Standard Terms & Conditions of Sale

The acceptance of Zero-Error Systems Pte Ltd (hereafter Seller) quotation implies the acceptance of the following conditions and no other terms and conditions (whether contained in the Buyer's purchase order or otherwise) shall be binding on Seller unless expressly agreed in writing. Unless otherwise expressly stated the International Rules for the Interpretation of Trade Terms, published by the International Chamber of Commerce, and as detailed in those Incoterms applicable at the time of order shall apply to each Contract.

1. Basis of the sale or Formation of Contract

- 1.1 The Seller shall sell and the Buyer shall purchase the Product(s) in accordance with any written quotation of the Seller which is accepted by the Buyer, or any written order of the Buyer which is accepted by the Seller, subject in either case to these Conditions, which shall govern the Contract to the exclusion of any other terms and conditions subject to which any such quotation is accepted or purported to be accepted, or to which any such order is made or purported to be made, by the Buyer. No variation to these Conditions shall be binding unless agreed in Writing between the Buyer and the Seller.
- 1.2 The Seller's employees or agents are not authorised to make any representations concerning the Product(s) unless confirmed by the Seller in Writing. In entering into the Contract, the Buyer acknowledges that it does not rely on any such representations which are not so confirmed.
- 1.3 Any advice or recommendation given by the Seller or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the Product(s) which is not confirmed in writing by the Seller is followed or acted upon entirely at the Buyer's own risk, and accordingly the Seller shall not be liable for any such advice or recommendation which is not so confirmed.
- 1.4 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

2. Orders

- 2.1 All quotations issued by the Seller shall be treated as invitations to treat. The Seller may withdraw a tender or quotation at any time before acceptance by the Seller of any order placed with the Seller.
- 2.2 The Product(s) will only be supplied in the minimum units stated in the quotations issued by the Seller as specified. Orders received for quantities other than these will be based on a case-by-case basis.

- 2.3 All orders placed with the Seller shall be in writing, and/or other electronic means and are subject to acceptance by the Seller or by Seller's authorised representative (which may be by notice to the Buyer or by delivery of Products) and shall be deemed to be made subject to these terms and conditions.
- 2.4 The Seller reserves the right to make any changes in the specification of the Product(s) which are required to conform with any applicable statutory or regulatory requirements or, where the Product(s) are to be supplied to the Seller's specification, which do not materially affect their quality or performance.

3. Delivery and Packaging

- 3.1 The times given for delivery are estimated and not binding; they have to be determined from the date of Seller's written confirmation of the order or where a letter of credit has been asked for, from the date of the bank's advice that it has been opened in conformity with Seller's requirements. Seller reserves the right to dispatch the Product(s) in consignments as and when they are ready for dispatch.
- 3.2 The Buyer cannot claim compensation in case of delays in delivery.
- 3.3 Delivery of the Product(s) shall be made by the Buyer collecting the Product(s) at the Seller's premises at any time after the Seller has notified the Buyer that the Product(s) are ready for collection or, if some other place for delivery is agreed by the Seller, by the Seller delivering the Product(s) to that place.
- 3.4 Seller shall handle, pack and package the Goods in conformance with good commercial practice, Buyer specifications, government regulations (including those applicable to chemicals and hazardous materials) and other applicable requirements. Unless otherwise expressly agreed in writing, no charge shall be allowed for packing, crating, freight, express charges, cartage, containers or storage. Seller shall be responsible for any loss or damage due to its failure to handle, pack and package the goods in a proper and lawful manner. Seller shall ensure that all shipments include order number and a packing slip stating the exact quantity and description of the Goods consistent with the information on Seller's invoice.
- 3.5 If the Buyer fails to take delivery of the Product(s) or fails to give the Seller adequate delivery instructions at the time stated for delivery (other than by reason of any cause beyond the Buyer's reasonable control or by reason of the Seller's default) then, without prejudice to any other right or remedy available to the Seller, the Seller may:
 - 3.5.1 store the Product(s) until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or
 - 3.5.2 sell the Product(s) at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) charge the Buyer for any shortfall below the price under the contract.

3.6 Claims for shipment shortage shall be deemed waived unless presented to Seller in writing within forty-five (45) days of delivery. In the event Buyer contests that the Product(s) were delivered, Buyer must request a proof of delivery from Seller within ninety (90) days of the date of Seller 's invoice, otherwise delivery shall be deemed completed.

4. ELECTROSTATIC DISCHARGE (“ESD”)

4.1 Seller warrants that the Goods purchased by Buyer for processing, storage, or handling of wafers, integrated circuits, circuit boards, items with electronic circuitry such as computer or equipment lock-up or other ESD sensitive items do not and would not create static charge and discharge which can lead to premature failure of Buyer’s system’s ESD sensitive items or electrical malfunctioning of equipment which may be either owned by Buyer or used by Buyer in the processing and/or testing of Buyer’s products.

5. Documents

Illustrations, catalogues, datasheets, drawings, dimensions, statements of weight and measurements etc. made by Seller as printed information are only meant to present a general idea of the Product(s) to which they refer; they are approximate only and therefore not binding upon Seller.

6. Complaints and Returns

Any complaints of erroneous dispatch and/or apparent damage shall be made in writing within three business days after receipt of the Product(s) by the Buyer and if return of the Product(s) is agreed upon, shall be forwarded in accordance with Seller’s instructions and preceded by an advice note, giving the reason for return and the date and number of the invoice; all Product(s) returned must be consigned insurance and carriage prepaid and packed in their original packing.

7. Termination and Returns

7.1 For products fabricated to individual customer requirements, specifications and/or designs, Seller reserves the right to fabricate the entire quantity ordered in one production run. In the event of cancellation in whole or in part of an order, any components, subassemblies, and or finished assemblies on hand in quantities equivalent to the full production run for the entire quantity ordered, plus normal overrun, shall be considered as part of the applicable cancellation charges.

7.2 Buyer may cancel this order only by payment of Seller’s cancellation charges, which shall take into account expense already incurred, overhead, lost profit and commitments made by Seller. Returns must be authorized by Seller and are subject to Seller’s incoming inspection procedures.

8. Experimental Products

8.1 If Seller delivers products identified as “prototypes”, “samples for engineering approval”, “for evaluation” or other terms of similar meanings, are understood to be standard parts and used under the conditions of the standard product specifications.

Buyer agrees that such products are confidential and experimental in nature, that Buyer will limit their availability only to those employees as are necessary to carry out the testing and evaluation contemplated by the parties and no others, and that all information concerning such products shall remain the proprietary property of Seller and shall not be disclosed to any third party.

- 8.2 Products built and sold as prototypes or samples for engineering, will not be covered by warranty, but will be accepted under agreed upon conditions as specified by both parties. It will not be expected that these products will function under standard product conditions and or specifications as they are considered engineering samples.
- 8.3 It is anticipated that changes may be made in the manufacture of such products; therefore, Buyer shall communicate to Seller the data accumulated during the testing and evaluation of the products.

9. Prices

- 9.1 Unless previously withdrawn, Seller quotation is open for acceptance within the period stated therein, or when no period is stated within thirty days only from the date thereof.
- 9.2 Except as otherwise stated under the terms of any quotation of the Seller, and unless otherwise agreed in writing between the Buyer and the Seller, all prices are given by the Seller on an ex works basis, and where the Seller agrees to deliver the Product(s) other than at the Seller's premises, the Buyer shall be liable to pay the Seller's charges for transport, packaging and insurance.
- 9.3 Unless otherwise specifically agreed in writing, prices do not include any costs for special handling or packaging, additional quality assurance inspection or testing, drawings or data, or any other customer requirements beyond Seller's normal commercial practice.
- 9.4 Prices are without engagement and may be altered by Seller to those ruling at the date of dispatch.
- 9.5 All taxes, GST and import costs of any kind related to the home country of the Buyer as well as letter of credit costs and fees are to be borne by the Buyer.
- 9.6 If the quantity on the PO is different from the quotation, then the price will change to reflect the quantity ordered.
- 9.7 The Seller reserves the right, by giving notice to the Buyer at any time before delivery, to increase the price of the Product(s) to reflect any increase in the cost to the Seller which is due to any factor beyond the control of the Seller (such as, without limitation, any foreign exchange fluctuation, currency regulation, alteration of duties, significant increase in the costs of labour, materials or other costs of manufacture), any change in delivery dates, quantities or specifications for the

Product(s) which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give the Seller adequate information or instructions.

10. Payment terms

- 10.1 All payments shall be prepayments by T/T (wire transfer) or Bank Draft if not otherwise is expressly agreed in writing. Should payment be made in the form of a Bank Draft, the bank charges should be borne by the Buyer.
- 10.2 If sale on credit is agreed, the payment in full respect of products dispatched by Seller shall be due within 14 days from the date of shipment from Seller unless otherwise agreed in writing.
- 10.3 Seller reserves the right at any time to revoke any credit extended to Buyer because of Buyer's failure to pay an invoice when due or for any similar reason and to suspend any subsequent shipments until Buyer's account is current.
- 10.4 Seller retains ownership of the products until payment has been affected. If the Buyer does not keep to the terms of payment, Seller is entitled to take back the Product(s).
- 10.5 In the event of default in payment (as defined in 10.2 above) by the due date, Seller reserves the right to charge the Buyer compound interest at the rate of 2% per commenced month on money overdue from the due date.
- 10.6 Letter of Credit. Any letters of credit established in Seller's favor shall be issued irrevocably and free of charge to Seller by first class banks which have adopted the Uniform Customs and Practice for Documentary Credits issued by the International Chamber of Commerce.

11. Insolvency

Seller may cancel the whole or any part of an order in the event of suspension of the Buyer's business, insolvency of Buyer, the institution by Buyer or others of bankruptcy, reorganization, arrangement of liquidation proceedings involving or affecting Buyer, or any assignment for the benefit of creditors of Buyer or receivership that Buyer places itself in or may be placed in. Such cancellation shall be deemed a cancellation for default of Buyer.

12. Warranty

- 12.1 The Buyer shall comply with such instructions and directions as Seller may from time-to-time issue and direct in respect of the products.
- 12.2 Seller warrants the products to be free from defects in material and workmanship for the period of 12 months from Seller's shipping date.
- 12.3 Upon arrival of the products in the territory Seller's sole responsibility hereunder shall be to send the Buyer a repaired or replacement part at his discretion for any

part of the product which proves defective within the warranty period, and which is returned to Seller. The freight cost is paid by the party to send the parts.

- 12.4 Buyer shall inspect and accept any products delivered, immediately after Buyer takes custody of such products. In the event the products do not meet the specifications or drawings, Buyer shall notify Seller in writing of such noncompliance and give Seller a reasonable opportunity to correct the noncompliance. Buyer shall be deemed to have accepted any products delivered hereunder and to have waived any such noncompliance in the event such written notification is not received by Seller within 15 days after the Buyer takes custody of the products delivered hereunder. Seller shall not be obligated or liable under this warranty for apparent defects or defects which examination discloses are due to tampering, misuse, neglect, improper storage or handling, normal wear and all cases where the products are disassembled by other than authorized representatives of Seller. In addition, Seller shall not be obligated or liable under this warranty if the seller's label, logo, or the rating label or serial number, has been removed or has attempted to be removed from the Product. Furthermore, Seller shall not be obligated or liable under this warranty unless a claim in written, setting out the nature of the defect, any other information which the Seller may have stipulated at the time of sale and full details of the original invoice, shall be given to the Seller within 15 days from the date such defect is first discovered.
- 12.5 This warranty sets forth the entire warranty of Seller with respect to the products and is in lieu of all warranties expressed or implied including warranties of merchantability and suitability for a particular purpose.

13. Liability

- 13.1 Compliance with Seller's warranty undertaking pursuant to paragraph 11 or with any agreed modification thereof shall be considered to give full satisfaction to the Buyer. Any claim of the Buyer for compensation or dissolution of the contract shall be excluded.
- 13.2 Seller shall not be liable for any consequential or other damage nor for any loss of whatsoever nature and howsoever arising other than those for which Seller has expressly assumed liability herein and Seller's liability shall in no event include any patent liabilities or patent indemnification.

14. Force Majeure

- 14.1 Seller shall not be liable for delays in or failure of performance hereunder due to causes beyond its reasonable control, including, but not limited to, acts of God or public enemy, acts of Buyer, act of government in either its sovereign or contractual capacity, fire, flood, earthquake or other natural disaster, strike or other labor dispute, acts of war, sabotage, insurrection, rebellion, or other acts of civil disobedience, failure of subcontractor to supply material, failure or delay in transportation, or equipment breakdown, nor shall Seller be liable for any reasonable delay in production or delivery.

- 14.2 In the event of delay due to such causes, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

15. Product Liability

- 15.1 Seller shall not be liable for damages to persons or property unless the Buyer proves that the loss is due to negligence on the part of Seller or persons for whom Seller is liable.
- 15.2 Seller shall not be liable for indirect losses of any kind such as loss of trade, loss of profit etc.
- 15.3 In the event that Seller is held liable by a third party for damages arising from product liability the Buyer shall be obliged to become a party to any litigation initiated by a third party against Seller.
- 15.4 Disclaimer for Customer Specific Applications. Zero-Error Systems product is not intended for use other than stated on the datasheet and/or application note or as defined in the product specification. The performance of the product should always be tested in the actual application conditions. As our products are used in conditions beyond our control, we cannot assume any liability for damage caused through their use. Users of Zero-Error Systems products are solely responsible to thoroughly test and qualify their system and / or application for their intended application and have determined such at their sole discretion. Zero-Error Systems cannot assume any liability for the use of our products in conjunctions with other. Customer assumes the sole risk and liability of the product performance other than specified by the product specific data sheet or application notes without Zero-Error Systems's specific written consent.

16. Compliance with Laws and Restrictions on Sale of the Products

- 16.1 The Buyer shall observe all laws, regulations and requirements imposed in relation to the Products, the sale, labelling and storage thereof in the jurisdiction in which the Buyer or products are situated and shall indemnify the Seller against all actions, claims, costs, demands and expenses incurred or suffered by the Seller arising as a result of the non-compliance by the Buyer with its obligations under this Clause.
- 16.2 The Buyer shall not sell, or offer for sale, or solicit orders for the sale of, the Products outside the country to which the Products are delivered (or, if delivered within the Buyer's country and stated in the Contract to be intended for re-export, the country to which the Products are stated to be exported) pursuant to any Contract or to or from any persons within such country purchasing the same for re-sale outside such country.

17. Technical Information

All know-how, information, designs, samples or drawings relating to the Products (other than any information, designs or drawings submitted by the Buyer) is and shall remain the

property of the Seller and the Buyer shall not copy, use or disclose any such know-how, information, design or drawing without the prior written consent of the Seller.

18. Intellectual Property

- 18.1 All patents, copyright, trademarks, trade names, signs, emblems, logos and designs (“the Intellectual Property”) in relation to the Seller, the Products, the Brochure and/or any of them and any literature supplied by the Seller in connection therewith shall be and shall remain the property of the Seller.
- 18.2 The Buyer shall not claim any right or property in or to the Intellectual Property or register or cause to be registered in any part of the world any intellectual property identical or similar to or any colorable imitation of the Intellectual Property.
- 18.3 The Buyer shall ensure that the trademarks, trade names or similar devices of the Buyer or any other person or any other words or marks affixed to any Products shall not be obliterated or obscured without the Seller’s prior written consent.
- 18.4 The Buyer shall not add any additional words or marks to any Products without the Buyer’s prior written consent.
- 18.5 The Buyer shall not alter any Products without first obtaining the Seller’s prior written consent to the continued use on the Products (as so altered) of any trademarks or any, trade names or similar devices of the Seller or of any other property affixed to the Products.

19. Notices

- 19.1 Any notice (which may be made by telex, letter or facsimile) to be given by one party to another shall be deemed to have been delivered when sent (in the case of any communication made by telex or facsimile) or (in the case of any communication made by the letter) when left at the address of that party, as notified to the other party by that party, or, if no address has been so notified, when left at the address of the last known place of business of the party to whom it is delivered or (as the case may be) 7 days after being posted, postage prepaid, in an envelope addressed to that party at that address.
- 19.2 Each communication and document made or delivered by one party to another pursuant hereto and/or to any Contract shall be in the English language.

20. Transfer & Assignment of Right

Each Contract shall be binding upon and endure to the benefit of each party thereto and its successors and assigns. Provided, however that neither party shall assign or transfer any of its rights or obligations under any Contract without the prior written consent of the other.

21. Severability

If at any time any provision of any Contract is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability

of the remaining provisions thereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way be affected or impaired thereby.

22. Remedies and Waivers

No failure or delay by the Seller in exercising any right, power or privilege under any Contract shall impair such right, power or privilege or be construed as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in such Contract are cumulative and not exclusive of any rights and remedies provided by law.

23. Governing Law

- 23.1 These terms and conditions and each Contract shall be governed by and construed in accordance with the laws of Singapore.

- 23.2 By entering into a Contract, the Buyer hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Singapore. The Seller may bring legal proceedings against the Buyer in any jurisdiction whatsoever.