

INTRICON PTE LTD

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

- 1. GENERAL :** (A) This Purchase Order (Order) is placed subject to the written terms in this Order and the Terms and Conditions herein and no others, and reference to any quotation or proposal from Seller is only for the purpose of specifying basic information concerning price, the description of this item(s), quantity, terms of payments, and delivery and then only as such terms are consistent with the Terms and Conditions herein. Any inconsistencies shall be governed by the Terms and Conditions of this Order. (B) All references herein to Buyer shall be construed and understood to be the same as if it were stated, "an authorized agent of the Buyer". A list of authorized agents is available by contacting Buyer's Purchasing Agent (65-6776-1021). Notice is hereby given that no other representatives or employees of Buyer are empowered to commit or bind Buyer to agreements or contracts of any kind. (C) Any of Seller's terms and conditions which are in addition to or are inconsistent with these Terms and Conditions shall be construed as proposals for additions to this Order and shall not be binding upon Buyer unless agreed to in writing by Buyer. Commencement of work under this order shall constitute Seller's acceptance of these Terms and Conditions.
- 2. ASSIGNMENT.** Seller shall not assign either its rights or obligations under this Order without the prior written consent of Buyer except that claims for monies due or to become due under this Order may be assigned by Seller provided that Seller shall supply Buyer promptly with 2 copies of any such assignment. Payment to an assignee of any such claim shall be subject to setoff or recoupment against any claim(s) which Buyer may have against Seller. A provision setting forth this right of Buyer shall be included in each such assignment. Buyer reserves the right to make direct settlement and/or adjustments in price with Seller under the terms of this Order notwithstanding any assignment of claims or monies due or to become due hereunder and without notice to the assignee.
- 3. SUBCONTRACTS.** Except for articles proprietary to Seller, none of the contemplated work to be performed hereunder shall be subcontracted without Buyer's prior written consent.
- 4. MATERIALS AND INSURANCE.** Any material furnished by Buyer on other than a charge basis in connection with this Order shall be deemed bailed to the Seller for mutual benefit and title thereto shall at all times remain in Buyer. Seller agrees to pay for all such materials spoiled by it or not otherwise satisfactorily accounted for to Buyer. Seller agrees to procure a policy or policies of insurance in form satisfactory to Buyer, and available to Buyer for inspection on request fully insuring against any and all loss or damage of all of Buyer owned and supplied property bailed to Seller.
- 5. FACILITIES AND SPECIAL EQUIPMENT.** Seller represents that it now has, or can readily procure without assistance of Buyer all facilities necessary for the timely performance of this Order. Special dies, tools, patterns, and the like, used in manufacturing of the articles herein ordered shall be furnished by and at the expense of Seller and shall be kept in good condition for follow-up Orders, and when necessary, shall be replaced by Seller without expense to Buyer, unless otherwise specifically agreed to in writing by Buyer.
- 6. PACKING AND SHIPPING.** All articles are to be suitably prepared and packed for shipment so as to secure safe delivery, the lowest transportation rates and to meet carrier's requirements. No charges shall be allowed for packing, crating or carriage unless stated in this Order. Shipment(s) received without identifying Order number clearly visible on the outside of the package, or prior to the requested delivery date, may be refused by Buyer and returned to the shipper at Seller's expense.
- 7. INVOICES.** Individual invoices shall be issued for each shipment delivered against the Order, and must reference this Order number. Freight and other charges must be shown if discount is not allowed on full amount of invoice. Delay in receiving an invoice, invoicing for material shipped prior to specified schedule or invoices rendered with errors and omissions shall be considered just cause for Buyer to withhold payment without losing discount privileges. Discount privileges shall apply from the later of date of scheduled delivery, the date of receipt of the goods or the date of invoice.
- 8. INSPECTION.** Risk of loss or damage to the articles shall be on Seller until the articles have been delivered to and accepted by Buyer. All articles ordered will be subject to final inspection and approval by Buyer after delivery notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject and return to Seller at Seller's expense any article which contains defective material or workmanship or otherwise does not conform to this Order, applicable drawings, specifications or samples. Buyer, at its discretion, may employ either 100% or sample inspection procedures. Rejected articles or lots which are returned shall be returned at Seller's risk and expense for sorting, correction, replacement or credit as Buyer shall elect. Exercise of these remedies shall not be exclusive of any other remedies provided in law or equity which are available to Buyer.
- 9. ENGINEERING CHANGES.** Seller shall notify Buyer (in writing) of any changes made to the materials, processes, tools, dies, or patterns used in the manufacture of articles herein ordered prior to delivery. Seller shall also at Buyer's request provide Buyer with sample articles containing changes for Buyer's acceptance testing. Articles manufactured by the Seller without Buyer's approval of Engineering changes are produced at Seller's risk and subject to return at Seller's expense.
- 10. CHANGE ORDERS.** Buyer may at any time by written Change Order make changes in the articles or services to be furnished hereunder or their quantities or delivery dates. If the cost of or time required for, furnishing the articles or services ordered hereby is increased or decreased as a result of such Change Order, an equitable adjustment in the Order price and/or delivery schedule shall be made in the Change Order. If a price and/or delivery adjustment is not included in the Change Order no increase in price or delay in delivery shall be allowed unless Seller notifies Buyer in writing of its claim for such an increase in price or delay in delivery within 10 days from the date of the Change Order. This Purchase Order shall not be deemed or construed to be modified, amended, rescinded, cancelled or waived in whole in part, except by written Change Order hereto signed by Buyer.
- 11. DELIVERY AND QUANTITY.** If Seller's deliveries fail to meet the schedules herein specified with the result that Buyer requires and Seller makes express shipments, partial shipments or both, then Seller shall assume all resulting excess shipping charges. Parts fabricated by Seller beyond Buyer's requirements are at Seller's risk and Buyer assumes no obligation to accept quantities in excess of 5% overrun. Invoices covering material shipped in advance of that specified by delivery schedules shall not be paid until their normal maturity after the date specified for delivery. Notwithstanding the provisions of the preceding paragraph, neither party shall be liable for delays or defaults due to causes beyond its control and without its fault or negligence, except however when, and in the event that Seller fails to give immediate written notice to Buyer setting forth the cause of any anticipated delay when Seller has reason to believe that the deliveries will not be made as scheduled.
- 12. WARRANTIES.** (A) Seller warrants that all articles furnished under this Order shall be free from defects in materials and workmanship, and shall conform to applicable drawings, specifications, samples or other descriptions and that articles of Seller's design shall also be free from defects in design. Seller further expressly warrants that all services performed under this Order shall be free from defects in workmanship. These warranties shall remain in effect as to each article furnished, serviced and/or repaired hereunder for a period of one year or more as long as any warranty offered by Seller for any similar article furnished, serviced and/or repaired. Seller shall pass on to Buyer the benefit of any warranty it has for any components of the articles furnished, serviced and/or repaired under this Order. (B) All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. The benefits of these warranties shall accrue to Buyer. If there is a breach of warranty, Buyer shall be entitled to avail itself of such warranties hereunder and of any and all other remedies provided in law or in equity. Seller shall make timely responses to Buyer upon notification of a breach of warranty and shall respond immediately. Seller agrees that time shall be of the essence in all such instances.
- 13. PATENTS.** Seller agrees to indemnify and hold Buyer and its successors, assigns, customers and agents harmless from any loss, damage, or liability incurred on account of any alleged infringement of any patent with respect to any product furnished under this Order provided that such product is not manufactured pursuant to Buyer's design. Seller agrees that it, at its own expense, will hold Buyer harmless and defend any action, suit or claim in which infringement is alleged or brought against Buyer, provided Seller is duly notified as to such action. In case the product or any part thereof is enjoined, Seller, at its own expense, either shall procure for Buyer the right to continue using the product or any part thereof, or shall replace the product with a non-infringing product or part thereof, or shall modify the product so that it becomes non-infringing or, in the event of the impossibility of the foregoing options, shall grant Buyer a credit for the purchase price of such product. Seller shall not be liable to Buyer if any patent infringement of claim thereof is based upon the use of the product in, combination with other items where such infringement or claim thereof would not have occurred from the normal use for which the product was designed. Where performance under the Order includes experimental, developmental or research effort and such work is paid for in whole or in part as such by Buyer, Seller agrees to disclose to Buyer all confidential processes or know-how, or trade secrets resulting therefrom and, on request, to assign to Buyer each invention and property right resulting therefrom.
- 14. TERMINATION.** Buyer reserves the right to terminate this Order, or any part hereof, and to cancel all or any part of the undelivered portion of this Order if Seller does not make delivery as provided in this Order, or, if Seller breaches any of the terms hereof, including the warranties. Buyer shall have the right to terminate this Order or any part thereof, and cancel all or any part of the undelivered portion in the event of the happening of any of the following: Insolvency of the Seller, filing of a voluntary petition of bankruptcy or winding up, filing of an involuntary petition to have Seller declared bankrupt or wound up provided it is not withdrawn within 30 days from the date of such filing, or the execution by Seller of any assignment for the benefit of creditors. Buyer shall have no obligations to Seller in respect of the cancelled portion of this Order and Buyer's liability shall be limited to payment for the portions of this Order delivered to and accepted by Buyer at the rate specified on the face hereof (reflecting quantity prices as though this Order had been completed.) If, as a result of default of performance by Seller, this Order is terminated in whole or in part and it is necessary to procure any of the specified products or services elsewhere, then Seller shall be liable for any re-procurement charges which exceed the amount which would have been due to Seller if it had satisfactorily completed this Order. These remedies shall be cumulative and additional to any other or further remedies provided in law or in equity. Buyer, for its convenience, may terminate work under this Order in whole or in part, at any time by giving notice to Seller in writing. Thereupon Seller shall immediately stop work on this Order or the terminated portion thereof and notify any subcontractors to do likewise. Seller shall be entitled to reimbursement for its actual costs incurred up to and including the date of termination for articles delivered or produced according to the delivery schedule of this Order, such costs to be determined in accordance with general accepted accounting principles. Seller shall be entitled to a reasonable profit on the work done prior to such termination at a rate not exceeding the rate used in establishing the original purchase price. The total of such claim shall not exceed the pro-rate portion of this Order which is cancelled. Termination claims shall be subject to inspection and audit by Buyer in the event of cancellation under the above clause.
- 15. APPLICABLE AND GOVERNING LAWS.** (A) All matters connected with this Order and performance thereof shall be construed, interpreted, approved and governed in all respects by the laws of Singapore. (B) Seller shall ensure that any article sold to Buyer shall conform to such provision, stipulation or directive as Buyer may deem applicable. Without limiting the generality of the foregoing, Buyer may require Seller to conform to EU Directive 2002/95/EC on "Restriction of Hazardous Substances" or "RoHS" in relation to the use of hazardous substances in electrical and electronic equipment. Buyer may in its sole discretion require Seller to provide written confirmation or certification of Seller's conformance with such provision, stipulation or directive, and on such terms as may be specified by Buyer from time to time.
- 16. ARBITRATION.** Any controversy or claim arising out of or relating to this Order, or the breach thereof, shall be settled by arbitration in Singapore in accordance with the rules of the Singapore International Arbitration Centre ("SIAC"). The arbitration tribunal shall consist of one arbitrator to be appointed by the Chairman of the SIAC. The language of the arbitration shall be English. Judgment upon the award granted by the arbitrator may be entered in any Court having jurisdiction thereof.
- 17. PROPRIETARY INFORMATION.** Seller agrees that all information contained in drawings, specifications, samples and other description which are submitted by Buyer to Seller under or pursuant to this Order is proprietary to Buyer and is submitted with the understanding and agreement by Seller, that such information shall not be utilized in whole or in part by Seller, except for fulfillment of this Order, without written permission of a Buyer. Seller shall take appropriate action to protect Buyer's proprietary information from disclosure to third parties. Any information which is proprietary to Seller and which is disclosed in the products or documents furnished to Buyer hereunder shall be deemed to have been disclosed as a part of the consideration for this Order and Buyer shall have full right to its use as Buyer deems appropriate.
- 18. ADVERTISING.** Any advertising of this Order (including the articles supplied hereunder and pictures, descriptions, or samples thereof) by Seller is prohibited except with Buyer's written approval.
- 19. TAXES.** Buyer shall not be liable for any taxes, duties or any other impositions or charges levied in connection with this Order unless separately stated on this Order and billed as a separate item.
- 20. NOTICES.** All notices, objections, demands or other communications required or permitted to be given or served under this Order shall be in writing and shall be deemed to have been duly given if delivered in person or deposited in the mail, postage prepaid by certified registered mail, return receipt requested to the address as set forth on the face of this Order. Seller or Buyer may change such address by giving notice pursuant to the preceding sentence. Whenever Seller approval or consent shall be required herein, such approval or consent shall be deemed to have been given unless within 10 days of the notice thereof, Seller notifies Buyer that it is denying such approval or consent stating in such notice the reasonable grounds therefor. No amendment, modification or waiver of any condition, provision, or term of this Order shall be valid or of any effect unless made in writing, specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by Buyer of any particular breach or default hereunder by Seller shall not constitute waiver of any other breach or default nor affect or impair any right arising from any subsequent default. Nothing herein shall limit the remedies and rights of Buyer hereto under and pursuant to this Order.
- 21. MISCELLANEOUS.** All titles, headings or captions in the paragraphs or sections of this Order are inserted for convenience of reference only and shall not constitute a part of this Order or as a limitation on the scope of the particular paragraphs or sections to which they apply. Each provision, section, sentence, clause, phrase and word in this Order is intended to be severable. If any provision, section, clause, phrase and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Order. This Order contains the entire understanding of the parties hereto and respect of the transactions pleaded hereby and supersedes all prior agreements and understandings between the Buyer and Seller with respect to such subject matter.