



Purchasing Terms and Conditions (Revision 3, 11 Nov 2011)

1. Terms and Conditions.

This Purchase Order (“Order”) and any attachments herein constitute to the sole agreement between PCA Technology Limited (“PCAT”) and Seller with respect to the goods (“Goods”) and / or Services (“Services”) specified. No other documents, including Seller’s proposals, invoices, quotations or order acknowledgements as well as waiver or modification of a term will become part of this Order, unless approved by PCAT in writing and endorsed by authorized representatives of each party.

2. Prices.

The pricing is stated in this Order as USD currency with shipment terms as DAP PCAT Singapore (Incoterms 2010). If pricing in this Order in any form of procurement agreement, Seller’s pricing shall not exceed the lowest prices charge by the Seller to other similarly situated customers, with the exception of any value add service, Vendor Management Inventory (VMI), duties and / or collectively tax (“Goods & Services Tax”). Validity of quotation/s shall remain for a period of 6 months minimum, at the same time adhere to PCAT Cost Reduction Program perform in every quarterly or half yearly .

3. Taxes.

PCAT shall not be responsible for any tax incurred with respect to the Order payments, such that the tax is included in the part/s unit price. PCAT shall not be responsible for any withholding tax or any tax imposed base on Seller’s net income.

4. Payment Terms.

Payment will be issued sixty (60) days after receipt of a valid invoice or receipt of the Goods and/or Services, whichever is later. Any bank charges incurred from Telegraphic Transfer (TT) payment will be borne by Seller.

No invoice can be submitted or dated earlier than the delivery date. Any payment discount will be calculated base on payment initial date. Payment will not constitute to the acceptance of the Goods and/or Services supported by Seller. PCAT will deem what is the acceptance criterion of the Goods and/or Services. PCAT will have the option and right to off set from Seller’s invoice for any credits, refund, defects of any kind without prior notice to Seller.

5. Invoicing.

Seller shall invoice PCAT by sending the original copy of the invoice to the Finance department and under Seller’s sole expense. If VAT or other Taxes are applicable, Seller will need to state such taxes on the invoice to PCAT. Seller will need to ensure the invoices meet the requirement for the deduction of VAT by PCAT, where applicable.

6. Shipment.

6.1 General.

Seller shall give prompt notice of any prospective failure in delivering the Goods and/or Services on the delivery date specified by PCAT.



6.2 Partial Shipment.

If partial delivery of the Goods and/or Services can only be available for shipment or performance to meet the delivery date, Seller shall notify PCAT promptly with PCAT agreement to proceed. Seller shall bear all cost of shipment incurred due to failure to meet PCAT delivery date.

6.3 Packaging.

Seller shall be responsible to ensure proper and strong packaging is use to withstand any mode of shipment. If any cargo is withhold at custom where defects such as damaged and/or wet carton, PCAT will have the option and rights to appoint surveyor at the earliest convenient time to conduct the survey. Seller shall bear all cost incurred as such.

6.4 Excess Shipment.

Over shipments or excess deliveries may be returned at Seller's sole expense, or PCAT will only process the invoice as per original delivery quantity and due date stated in the purchase order.

6.5 Late Shipment.

PCAT shall impose late charges on Seller failure to ship according to delivery date required by PCAT. Late charges will be imposed as follows: up to 14 days, 25% of the purchase price; 30 days up to 50%; more than 31 days up to 100%.

7. Reschedule and Cancellation window.

Cancellation window is measured from original delivery date of the Order, whereas Reschedule window can be anytime within the delivery date.

Seller shall adhere to PCAT reschedule and cancellation window of two (2) weeks and three (3) weeks respectively for customized and non-customized Goods with more than four (4) weeks lead time. If Goods lead time is equal to the standard accepted cancellation window of three (3) weeks, then reschedule and cancellation window shall be zero (0) week and two (2) weeks respectively.

8. Changes.

PCAT will give prior notice to Seller, on change or cancel any part of the Order such as quantity, designs or specifications prior to shipment, but not limited to the above cases, without incurring any charges. If PCAT changes or cancel any part of the Order, Seller shall provide a written claim prior to shipment, to reflect Seller's actual cost as a direct impact on the above, which are not recoverable from either a) the sale of Goods and/or provision of Service within a reasonable time or b) the exercise of Seller, in a commercial reasonable manner to cater for alleviation measures.

Seller shall not modify any product such as functionality, performance, footprint, not limited to the above, without any written approval by PCAT.

Any forecast given by PCAT will only act as a reference for planning and review. The information shall not constitute a commitment or liability of any type to PCAT.



Seller shall provide at least twelve (12) months official notice written to PCAT prior to product discontinuation and/or Engineering/Product Change Note (ECN/PCN) for manufacturing. In such notice, Seller shall include but not limit to PCAT part numbers, substitutions, and last order date for acceptance of such Goods.

9. Quality.

Seller shall maintain a set of quality system that ensures Goods and/or Services supplied meet PCAT quality standards. Seller shall provide a copy of supporting documentation to PCAT in view of Seller's quality system.

10. Warranty.

Seller shall warrant all materials manufactured, processed and/or assembled by Seller and/or its subcontractors are free from defects in material, workmanship, design and conform to PCAT or PCAT customer specifications for all customized and/or non customized materials, including PCAT assembled Goods, in respect for a period of one (1) year from date of Acceptance. PCAT specifications may and not limited to certifications, General Specification for the Environment (GSE), Restrictions of Hazardous Substances (ROHS), Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and any laws and regulations that will impact the return of material. Seller shall ensure that all Goods are free from liens, restrictions and claims for all titles, ownership, and not infringe on patent, trademark, or any other intellectual or propriety rights.

Seller shall warrant all Goods against Epidemic Failure, which refers to the repeat occurrence of the same defects, rejects and non-conformity in an Order of 2% within 3 months period.

11. Non-Complying.

Goods found not conforming shall returned back to Seller, where replacement, repair, or credit will be carried out at Seller's risk and sole expense. PCAT has the rights to procure substitution Goods and/or Services in replacement of the Non-Compliance. Seller shall reimburse PCAT on all additional cost incurred thereafter.

Seller shall bear all costs on Goods arising from Epidemic Failure mode which include but not limit to material replacement, upgrade, labor, shipment, inventory replacement. In regardless if product will to be recalled or retrofit by PCAT or PCAT customer, Seller shall borne all expenses, inclusive of Goods in Seller's inventory and PCAT's installed base. All replacement and upgrades will be shipped at its highest priority monitor and included under Seller's liability. PCAT reserves the right to procure substitute materials in such cases, where deems appropriate and Seller shall fully reimburse PCAT on all charges, prices and other additional fees as a direct result.

12. License Grant.

If Goods require software, firmware or documentation, Seller shall grant PCAT the right to duplicate and distribute the materials where necessary. Seller should identify all licenses and deliver Goods that meet PCAT requirement which include; a) granting PCAT a non-exclusive, perpetual, royalty free, worldwide license to use, re-produce and preparation for derivative works of the documentation where applicable; b) allow PCAT distributing of software,



firmware, and documentation directly or as an integrated product. Sub-license to Third Party is required. Seller shall provide source code upon request from PCAT.

13. Indemnity, Intellectual and Confidential Information.

13.1 General.

Seller will acknowledge and agree to settle all claims including the above clauses and not limit to Tort (includes negligence or Breach of contract), indemnity, incidental or consequential loss, damage, loss of production, loss of software, loss of Goods, warranty. Seller shall save PCAT harmless of such costs, expenses as a result of any and all loss, liability, and demand, either at law or equity that will directly or indirectly cause any personal injury, or death, or property damage.

13.2 Intellectual Property Claim.

Seller agrees to defend, protect PCAT and PCAT customer against all claims, expenses, damages, liabilities, obligations, cost of action, suits, injury of any kind that result from Seller's Goods and/or Services infringe with the Intellectual property rights. Seller shall bear all costs and expenses including legal fees incurred by PCAT and PCAT customer.

13.3 Infringing Goods.

Seller will need to continue supporting infringing Goods and/or Service at Seller's sole expense. If Seller is not able to support infringing Goods and/or Service, Seller shall a) substitute with non infringing Goods and/or Service where the product should be Form, Fit and Function; b) modifying the infringing Goods with PCAT written consent, without affecting Form, Fit and Function capability; c) a full monies refund to PCAT and pay all reasonable costs incurred by PCAT in replacing the infringing Goods and/or Service if (a) and (b) is not able to performed by Seller.

13.4 Confidential Information.

Seller agrees to maintain the secrecy and not to disclose any information without PCAT written consent which includes but not limit to forecast, cost, Terms and Conditions of this Order, general business plans and profits. Seller will need to handle the Confidential Information with certain degree of care, but in no event less than reasonable care to prevent the disclosure or unauthorized use of the information. Seller will not make any news release, advertisement or disclosure to Third Party on the existence or terms of this Order without prior consent from PCAT.

14. General.

14.1 Contract Breach.

If Seller fails to perform or breaches any provision of this Order, PCAT will terminate all if not part of the Order, unless Seller cures the breach within two (2) weeks after receipt of PCAT notice. The "breach" shall include but not limit to a) Seller becomes insolvent, thus subject to involuntary bankruptcy, has its assets assigned; b) appointment of an assignee for the benefits of creditors; c) failure to provide performance assurance to PCAT; or d) failure to comply this Order. Seller shall reimburse PCAT fully on any demand claim arising from the above in the event if an Order is terminated.



14.2 Data Privacy.

Seller will abide by the rules and regulations hereunder the personal data protection laws when processing, sharing, and transferring of such information. Seller agrees to process any PCAT personal data with PCAT written consent to third party solely for business activity.

14.3 Choice of Law.

These terms shall be interpreted and governed according to Singapore laws. The courts of Singapore have jurisdiction to adjudicate any dispute rising from this Order. The UN Convention for International Sale of Goods will not apply to this Order.

PCA Technology Limited

Prospective Vendor (please print name)

Signed

Signed

By: _____

By: _____

Title: _____

Title: _____

Company Stamp