

STANDARD TERMS & CONDITIONS OF SALE
Dated 8th July 2020

1. Prelude

The following terms and conditions of sale shall apply to, and form part of, the standard supply of goods or services by Makuri Technology Ltd and all, or any, of its subsidiaries and affiliates all thereafter called (The Company) to another party called (The Customer). These terms of sale replace any previous terms of sale.

2. Warranties & Guarantees

All items (Products) supplied by The Companies are subject to a 3-level guarantee system;

- a. Level 1 – 5F Guarantee – see Para 3 for details
- b. Level 2 – LC Guarantee – see Para 4 for details
- c. Level 3 – TCO Guarantee – see Para 5 for details

3. Level 1 – 5F Guarantee

This is a comprehensive, best in class, 5F industrial standard covering all Products and guarantees the Fit, Form, Function of such items and that they are also free of defects in faulty Workmanship & faulty Materials for a period as specified in the quotation documents, unless they have been subjected to any Exclusions as covered in Paragraph 7.

- a. **Fit** - guarantees the ability of the Part to connect to, mate with, or join to another part or parts within an assembly.
- b. **Form** – guarantees the correct external dimensions, weight, size, labeling, and visual appearance of the Part.
- c. **Function** – guarantees that the Part can perform its stated purpose effectively and reliably.
- d. **Faulty Workmanship & Faulty Materials** - refers to any other such faults not covered under Fit, Form, and Function that may arise during use and within the period as specified in the quotation and purchase order documents.

Products that fail to meet this guarantee are fully replaced or fully credited.

4. Level 2 – LC Guarantee

Products that fail or wear out in service that do not meet the mutually agreed Lowest Cost/Tonne (CPT) or Lowest Cost/Operating Hour target, after a minimum of 3 Design Iterations, will be credited on a pro-rata basis unless they have been subjected to any Exclusions as covered under in Paragraph 7.

5. Level 3 – TCO Guarantee

Products that cannot be demonstrated, after a minimum 3 Design Iterations, using all mutually agreed inputs, to be the Lowest Cost of Ownership, will be credited on a pro-rata basis unless they have been subjected to any Exclusions as covered under in Paragraph 7.

6. Design Iterations

- a. The Company bases its initial forecasts on a combination of standardized tests and previous experience in similar applications, although these may not match actual conditions on-site. As such, a few design Iterations, including changing material types, are often required to obtain the target life and lowest operating costs.
- b. Unless the Products being offered is a like-for-like replacement against a known material and similar design, an initial benchmarking test will be required to determine site-specific wear performance for the design being used. Following this testing, wear performance of the Makuri material can be modeled more accurately and the design updated (if required) to achieve the target life.
- c. At the Design Iteration 1 (Benchmarking stage), an initial evaluation to determine an agreed Cost/Tonne (CPT) target and/or corresponding life targets for future development.
- d. For the initial three Design Iterations trials, the following guarantee applies:
 - i. Full replacement if the CPT of the component is more than 150% that of the current item in use
 - ii. Pro-rata credit on the item price where the CPT of the component is between 110% and 150% of the current item
- e. Most guarantees are based on data obtained from The Customer and this can be inaccurate at times but has been used for initial benchmarking. It is for this reason that when offering guarantees, we have to allow for changes to be made to the Product as the wear data used for the benchmarking may not match the reality on site.
- f. Once the design Iteration 3 – Trial 3 is complete, the appropriate Level 2 and level 3 guarantee(s) can be provided as mutually agreed with The Customer

7. Exclusions

Any of the following events and conditions will be considered to be Exclusions and will preclude The Customer relying on or enforcing any Warranties as provided under Paras 2,3,4 & 5.

- a. Errors made during the purchasing process including;
- b. Incorrect documents, drawings and specifications (Documents) as supplied by The Customer, and
- c. Errors in any Documents as supplied by The Company that has been approved by The Customer
- d. Worn and poorly maintained machines and associated mating parts and items
- e. Non-Fair Wear & Tear (NFW)
 - i. Operation beyond rated capacity or outside the manufacturers or The Companies guidance,
 - ii. Improper operation including; without limitation, failure to observe gauge or warning signals, instructions or practices,
 - iii. Improper installation or maintenance including, without limitation, failure to replace and/or adjust worn components,
 - iv. Improper use of and lack of maintenance of the lubrication system including all filters and allowing the machine to function with contaminated lubricants and poor lubricant flow,
 - v. Improper application of the equipment or parts,
 - vi. Damage caused by foreign influences including, without limitation, abnormal environmental conditions such as water, acid rock drainage, heat, cold and

- humidity, and other such ambient conditions as may adversely affect the operation of the equipment,
- vii. Improper staging, lay down and storage in The Customer's area after delivery, before and during the service of unit and parts supplied.
 - viii. Electronic or mechanical failure of safety warning and overload systems,
 - ix. All and any other such items or events specified by The Company in its quotation and accepted by The Customer.
- f. Early removal of components
In the event that component is removed from service before their full useful life has been reached, a joint review will be conducted between The Company and The Customer to determine a Nominal Useful Service Life of the component. This Nominal Useful Service Life will be used when calculating any pro-rata credits or other guarantees applicable to the Contract.
- g. Changes in operating conditions
Where a change to operating conditions occurs that has the potential to affect the accuracy of previous life forecasts, a review will be conducted as defined in subsection d above to determine a revised Nominal Useful Life for components affected by the change. This Nominal Useful Service Life will be used when calculating any pro-rata credits or other guarantees applicable to the Contract.
- h. Introduction of new benchmarks after initial review
In the event that new benchmarks, including but not limited to price revisions by competitors and introduction of products not considered during the initial review stages, these shall not form part of any comparison that may affect pro-rata credits or other guarantees applicable to the contract.

8. Approval of Documents

Full and final approval of Documents by The Customer is considered to be done when a purchase order is received by The Company from The Customer for any such Products as quoted by The Company.

9. Limits on Liability

- a. The Company shall not be liable to any person, or The Customer, for any loss or damage (including consequential loss or damage) caused by, or arising directly or indirectly from any failure of the equipment, components, or any part thereof supplied by The Company
- b. Except as provided in this contract and subject to the provisions of Paras 2,3,4,5 & 6 all warranties or conditions whether express or implied by law or contained in The Customer's specifications or orders are excluded.
- c. If any Act of the Government of the Republic of Singapore implies any conditions or warranties in this contract and the Act avoids or prohibits provisions in a contract excluding or modifying the application of these conditions or warranties, these conditions and warranties will be deemed to be included provided that the liability of The Company for breach of any of these conditions and warranties will be limited to any one or more of the following at The Company's election:
 - a. If the breach relates to goods
 - i. The replacement of the goods or supply of the equivalent goods
 - ii. The repair of the goods, or

- iii. Payment of the costs of replacing or repairing the goods or acquiring equivalent goods
 - b. If the breach relates to services
 - i. The supplying of the services again, or
 - ii. The payment of the cost of having the services supplied again.
- d. Except as provided herein, The Company will not be liable in any circumstances for any loss or damage (including that resulting from the use of the goods by any person), economic loss or special or general or consequential damages arising for any reason, including negligence of The Company, its employees or agents or any defect or malfunction in or relating to the goods or any services provided to The Customer.

10. Fit for Purpose

The Customer agrees that it does not rely on the skill or judgment of The Company concerning the suitability of any goods or services for a particular purpose unless it has indicated that purpose in writing to The Company and The Company has acknowledged that the goods will be fit for that purpose. In such an event the liability of The Company shall be excluded or limited as provided in Para 3.

11. Delivery

- a. The Company agrees to make every effort to complete the work within the agreed delivery date, but shall not be liable for any penalty, claim or damages (including consequential loss or damage) arising from delay in delivery or failure to deliver due to circumstances beyond its reasonable control.
- b. Any delivery date may be extended at The Company's discretion in the event of any strikes, industrial bans and limitations, lockouts, accident, the combination of workers, breakdowns, virus outbreak, power blackouts or rationing, or delays in transit, supreme acts of nature, force majeure, or any delay in the completion of essential designs and/or drawings beyond The Company's control, or of any lack of essential labor or materials or changes in existing hours or days of work or restrictions or impositions, due to or to which The Company may become subject, owing to defense or other national requirements or additional work required by The Customer beyond that which was tendered by The Company or any other cause whatsoever beyond The Company's control.
- c. The Company quotes and supplies goods on the agreed INCO Terms basis. Where The Company arranges delivery of the goods, delivery shall be deemed to be effected when the goods are made available for unloading by The Customer. In all other cases, delivery shall be deemed to be affected when the goods are loaded on the delivery vehicle at The Company's store.
- d. If The Company notifies The Customer that the goods are ready for delivery and The Customer requests The Company to hold the goods on its behalf or refuses to accept delivery, such goods will be held by The Company at The Customer's risk and The Company shall be entitled to charge a reasonable storage fee in respect of the goods.

12. Acceptance of Goods

The Customer will examine the goods immediately upon the goods being available at the agreed place of shipment or delivery and within seven (7) working days from the date of delivery give written notice to The Company of any matter or thing which The Customer believes the goods are not in accordance with the contract. If The Customer fails to give such notice The Customer will be deemed to have accepted the goods

and The Company will not be liable for any damage to the goods including but not limited to any damage which may have occurred in transit.

13. Transfer of Title & Risk

The whole or part of the goods supplied by The Company will be at The Customer's risk immediately after the occurrence of any of the following conditions;

- a. At the time The Company completes its performance relating to the delivery of the goods or services agreed by The Customer,
- b. At the time of shipment when the confirmed order does not require The Company to deliver the goods to The Customer's destination
- c. When the goods are available for The Customer to receive The Customer will be given seven (7) days maximum to collect the goods after The Company notification, if The Customer fails to do so, the risk in the goods shall automatically transfer to The Customer and The Company shall be entitled to payment for the goods
- d. Upon tender of the goods to The Customer destination, if the confirmed order requires delivery at destination
- e. Upon delivery of documents where the confirmed order calls for delivery of such documents without or before moving the goods
- f. Upon a Customer request that the Company arranges for storage extension of goods, any cost arising will be charged to the Customer.
- g. Notwithstanding that risk in the goods shall pass to The Customer on delivery per the above conditions 13a to 13f, legal and equitable title to the goods shall remain with The Company until all money owing to The Company in relation to the goods has been paid in full and until such time, The Customer will hold the goods as bailee for The Company and store or otherwise identify the goods in a manner that clearly shows the ownership of The Company, and if required, deliver up the goods to The Company at its own cost and expense.

14. Cancellation or Variation

- a. In the event of any contract cancellation or variation where items are manufactured specifically for that contract, the Company reserves the right to recover manufacturing costs incurred.
- b. Cancellation or variation of contracts that involve common stock items that can be resold or restocked may be done without penalty where no costs have been incurred by the Company. However, the Company reserves the right to recover incurred costs relating to items including but not limited to crates and packaging, transport, and restocking fees.
- c. The Company reserves the right to recover costs related to fluctuations in factors including but not limited to exchange rates and cost of other inputs where cancellations or variations involve a change in scope, required delivery date, or lead time.
- d. In the event that The Customer requests storage extension of goods, the Company reserves the right to recover costs associated with that request.

15. Returns

- a. At the Company's discretion, stock items that are returned may incur a restocking fee of 15% of the total value of the goods.
- b. Return of goods will not be accepted which;
 - i. Have deteriorated, or
 - ii. Are in a condition that does not allow for resale, or
 - iii. Were manufactured as a customer-specific item

16. Price Variation

All prices are quoted in the agreed currency and The Company reserves the right to charge The Customer for any costs, charges or expenses whatsoever that The Company may incur as a result of additional costs incurred, including but not limited to;

- a. Vehicle or wagon detention (to the extent the same is not caused or contributed to by The Company)
- b. Demurrage on ships in consequence of any act or omission of The Customer, or
- c. Any special requirements or stipulations of The Customer accepted by The Company but not provided for in the contract.

17. Confirmation

Any quotation given by The Company is not an offer to sell. An order placed by The Customer according to a quotation is not binding on The Company unless and until accepted by The Company. The Company's quotation is subject to confirmation in writing on receipt of The Customer's order and such confirmation shall constitute acceptance of The Customer's order.

18. Goods and Services tax

Unless otherwise stated all prices are exclusive of any value-added taxes (VAT) that may be applicable under any particular jurisdiction where the goods are being sold. This shall be to The Customer's account if applicable.

19. Government Charges

Should The Company become liable for payment to any government authority in respect of any tax (excluding income tax), duty or impost not in existence at the date of order, or should The Company's liability increase under any existing tax (excluding income tax), duty or impost, such payment or increased payment shall be to The Customer's account.

20. Severability

If any clause or clauses of the Contract is held to be void and/or unlawful by any authority or court having proper jurisdiction, the balance of this agreement shall remain in full force and effect. In such case, the parties hereto agree to enter into negotiations for to try to achieve replacement of such void and/or lawful clause or clauses by valid and lawful provisions, the economic effect of which shall come as close as legally

possible to the economic effect the parties hereto wanted to achieve on contracting such void and/or unlawful clause or clauses.

21. Validity

This offer is valid for the period specified in the official quotation by The Company.

22. Whole Contract

The contract formed by the acceptance of The Customer's Order shall be subject to these General Conditions of Sale. No other terms or conditions except those contained elsewhere in this offer or those expressly agreed to by The Company in writing shall apply to or bind The Company.

23. Payment

- a. An account application form must be completed by The Customer and approved by The Company prior to establishing trading with The Company
- b. The extension of credit shall be at the absolute discretion of the Company and where extended unless otherwise advised in writing shall require payment by net cash within 30 days of the end of month in which the goods are delivered.
- c. Without in any way limiting The Company's right to require payment in full on the due date, The Company may charge interest on overdue accounts at a rate determined at that time.
- d. The Customer agrees that The Company shall be entitled to use the services of a credit agency from time to time to obtain information concerning The Customer (and where The Customer is a company, its Directors) to assess The Customer's creditworthiness.
- e. All losses, expenses, and costs (including legal fees) on an indemnity basis, consequent upon the Customer's failure to pay on the due date, are recoverable from the Customer by the Company as liquidated damages.

24. Indemnity

Without prejudice to any other rights The Company may have, The Customer shall indemnify The Company for any loss, damage or expense incurred by it should The Customer breach any item of the contract or cancel any order or part thereof after acceptance by The Company.

25. Default

Should The Customer fail to make due payments for any goods or services supplied by The Company, or being a natural person commits an act of bankruptcy, or being a corporation by act or omission enable the appointment of a scheme manager, receiver and manager, liquidator, administrator or any other person authorized to enter into possession of the assets of The Customer under a mortgage or other security The Company may, without prejudice to any other rights it may have, do any or all of the following;

- a. Withdraw any credit facilities which may have been extended to The Customer,
- b. Withhold any further deliveries of goods or performance of services required under the contract,
- c. In respect of goods already delivered, enter onto The Customer's premises to recover and resell the same for its behalf, and
- d. Suspend and/or terminate the performance of any other contracts which The Company has with The Customer.

26. Applicable Law

These terms and conditions shall be construed in accordance with and be governed by the laws of the Republic of Singapore. Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning these terms and conditions.