

In consideration of the Purchaser (as defined below, being an entity of the DFI Retail Group of Companies in Singapore) agreeing to trade with us, we agree to be bound by the belowstated DFI Retail Terms and Conditions of Supply for the duration of the trading period between us and the Purchaser and which will continue to apply until superseded or amended in writing by the Purchaser.

DFI RETAIL TERMS AND CONDITIONS OF SUPPLY ("DFI SUPPLY TERMS")

1. INTERPRETATION

The Definition in Schedule 1 defines the words used in the DFI Supply Terms and sets out the rules of interpretation which apply.

2. TERMS OF PURCHASE

2.1 Term: During the term of the Agreement the Purchaser will purchase and the Supplier will supply any Products the Purchaser may order in accordance with the terms of the Agreement.

2.2 Purchase: The Purchaser may issue Orders to the Supplier in writing by facsimile, mail or by other means (such as electronic data interchange) agreed in writing in accordance with Clause 2.3. Immediately on receiving an Order the Supplier must send the Purchaser written notice if it believes, on reasonable grounds, that it will not be able to fulfil the Order. If the Supplier fails to provide the Purchaser with written notice immediately the Supplier will be deemed to have accepted the Order and there will be deemed to be a concluded contract ("Contract") between the Purchaser and the Supplier for the purchase of the Products stipulated in the Order on the basis of the terms contained in this Agreement, subject to any waivers or changes made in accordance with Clause 2.3.

2.3 Precedence of the Agreement; Variation: The terms of the Agreement override and are in substitution for any terms stipulated or referred to in writing or orally by the Supplier. No person claiming to act on the Purchaser's behalf is authorised to waive or change any terms of the Agreement orally. Amendments or changes of the Agreement shall be effective only if made in writing and signed by the Purchaser.

3. SUPPLY OF PRODUCTS

3.1 Supplier to Supply: At the request of the Purchaser the Supplier will supply to the Purchaser:

3.1.1 a Product List;

3.1.2 a sample of each Product; and

3.1.3 the specification of each Product.

3.2 Supplier Obligations: The Supplier will:

3.2.1 Specifications and Samples: ensure that all Products are sourced, manufactured, produced, packaged and conform with the specifications and samples approved by the Purchaser;

3.2.2 Not Vary: not vary in any way the approved specification for the packaging, production, manufacture or sourcing of the Products without the prior consent of the Purchaser; and

3.2.3 Codes of Practice: ensure that the Products are manufactured, packaged, produced and sourced in accordance with accepted best codes of practice relating to the Products supplied.

3.3 Continuity of Supply: The Supplier will use all reasonable endeavours to manufacture or source sufficient amounts of the Products to fulfil its obligations under this Agreement.

3.4 Termination of Supply: The Supplier will not at any time cease to supply Products which are or have been the subject of an Order from the Purchaser, unless the Supplier has given the Purchaser not less than one (1) month's written notice of its intention to cease supply of the Products.

3.5 General Requirements: The Supplier will at its own cost comply with any General Requirements which may be notified to the Supplier by the Purchaser from time to time.

3.6 Conformance of Agreement, Laws, and Requirements: The Supplier shall strictly comply with the terms of this Agreement including without limitation the specifications, code of practice and the General Requirements. In the event of any non-compliance by the Supplier or deviation from the terms of this Agreement, the Purchaser shall, at its absolute discretion, have the right to impose liquidated damages at the rate(s) set out in **Schedule 3**, without prejudiced to the other rights and remedies of the Purchaser at law or in equity including right to terminate the Contract and/or this Agreement. The Purchaser shall also be entitled to recover damages from the Supplier in respect of obtaining such supply from other sources.

- 3.7 Purchaser's Fees and Charges:** In consideration of Purchaser's listing and displaying the Products at the Purchaser's stores and premises, the Supplier agrees to pay all relevant fees and charges to the Purchaser as set out in **Schedule 4**. Such payment will be deducted and set-off against any other money the Purchaser may owe to the Supplier at any time.
- 3.8 Other Programme; Business Plans:** The Supplier undertakes that it will participate in all other programmes and business planning initiated by the Purchaser from time to time. The details of such programmes and business planning will be stated in the relevant Trading Terms or a separate agreement in respect of such programmes/business planning to be entered into between the Supplier and the Purchaser.

4. QUALITY CONTROL

- 4.1 Quality:** The Supplier will at its own cost:
- 4.1.1** maintain a quality control programme concerning all aspects of quality, production, packaging, sanitation and safety of the Products and packaging;
 - 4.1.2** provide to the Purchaser information reasonably requested by the Purchaser concerning the Supplier's quality control programme;
 - 4.1.3** permit the Purchaser to inspect and test the Products during their manufacture, processing or storage at the premises of the Supplier, the Purchaser or any third party, prior to despatch; and
 - 4.1.4** provide the Purchaser with facilities reasonably required for inspection and testing.
- 4.2 Inspection:** If as a result of inspection or testing the Purchaser is not satisfied that the Products will comply in all respects with the terms of the Agreement and the Purchaser notifies the Supplier of the non-compliance, the Supplier will at its own cost take all steps reasonably necessary to ensure proper compliance.

5. PACKAGING

- 5.1 Packaging Requirements:** The Supplier will at its own cost comply with the Packaging Requirements including without limitation:
- 5.1.1 Provision of Lot Mark:** the provision of a lot mark, a batch code or a serial number for each Product in accordance with the reasonable requirements of the Purchaser as specified by the Purchaser from time to time;
 - 5.1.2 Provision of Use-by dates or Sell-by dates:** the provision of use-by dates or sell-by dates for the Products on both the inner label and outer carton in accordance with the reasonable requirements of the Purchaser as specified by the Purchaser from time to time; and
 - 5.1.3 Provision of nutritional data:** the provision of nutritional data of the Products in accordance with the applicable laws and/or the General Requirements of the Purchaser.
- 5.2 Alteration to Packaging:** The Supplier will advise the Purchaser of any alteration in the Packaging required by the necessity of complying with any applicable laws and regulations and will (if requested by the Purchaser) supply the Purchaser a copy of an official publication containing such laws or regulations.
- 5.3 Mandatory Packaging Reporting:** The Supplier shall, on a half-year basis or such other period mutual agreed by the parties, provide all necessary packaging information in respect of the Products (including without limitation all Products made of any materials of any nature to be used for the containment, protection, handling, delivery and/or presentation of goods, from raw materials to processed goods) manufactured, sourced, imported and/or supplied to the Purchaser in Singapore in such form and manner to be determined by the Purchaser from time to time. The Supplier acknowledges the objective of such mandatory packaging reporting driven by the relevant government agency and the Purchaser requires such packaging information for its compliance with the applicable laws.

6. DELIVERY

- 6.1 Delivery:** The Supplier will at its own cost comply with the Delivery Requirements, including without limitation:
- 6.1.1** deliver the Products to the Delivery Address on the Delivery Date during the Delivery Period;
 - 6.1.2** ensure that a packing note containing information specified by the Purchaser in relation to the Order accompanies each delivery or consignment of the Products which is conspicuously displayed and readily accessible; and
 - 6.1.3** if requested by the Purchaser, issue a certificate of analysis to confirm that any Products delivered have been tested and comply with any applicable Sample and Specification.

- 6.2 Essential Term:** The date and time of delivery of the Products is an essential term of the Contract.
- 6.3 Instalments:** If the Products are to be delivered by instalments, the Contract for the Products will be treated as a single contract and not severable.
- 6.4 Goods Receipts:** All deliveries must be evidenced by a receipt or an acknowledgment of receipt by the Purchaser in accordance with the Purchaser's policy.
- 6.5 Service Level:** Unless otherwise agreed by the parties under the Trading Terms, the Supplier shall comply with a monthly target service level in respect of delivery fulfilment of at least 95% failing which the Purchaser shall, at its absolute discretion, have the right to impose liquidated damages calculated at the rate of 5% based on the value of short delivery (i.e. the difference between the value of the Order and the value of the Products received) or such other rate as stated in the Trading Terms, without prejudiced to the other rights and remedies of the Purchaser at law or in equity including right to terminate the Contract and/or this Agreement.
- 6.6 Distribution Services:** The Purchaser may provide warehouse/flow-through and distribution services to the Supplier if the Products are delivered to the Purchaser's designated warehouse or location ("Distribution Services"). The Supplier shall pay the distribution allowance at the rate as set out in the Trading Terms ("DA rate") for the Distribution Services provided by the Purchaser. The Purchaser reserves the right to increase the DA Rate in accordance with any increase in respect of costs of materials, labour, transportation, freight charges, overhead rates and/or any taxes or other charges imposed by the governmental authorities. The Supplier will be notified of the increased DA rate by the Purchaser in writing, and the Parties shall discuss and agree to the increased DA rate proposed by the Purchaser within the period stipulated in the Purchaser's notice. If the Parties fail to reach any agreement in respect of the increased DA rate within the stipulated period, the Purchaser may, in its sole discretion, extend the discussion period or terminate the Distribution Services without being liable to the Supplier for any loss and damage.

7. PRICE AND PAYMENT

- 7.1 Price:** The Price(s) of the Product(s) (exclusive of the Goods and Services Tax) invoiced by the Supplier shall be of one common price as reflected in the Order(s) or as otherwise agreed in writing by the Supplier and the Purchaser. Price(s) as stated in the Order(s) shall be deemed to be accepted by the Supplier if the Supplier does not immediately write to notify the Purchaser that it is unable to fulfil the Order(s). In the event of any Price discrepancy between the Price stated in the Supplier's Product List and the Price stated in the Order, the Price stated in the Order shall prevail. Unless otherwise agreed in writing, the Price will be:
- 7.1.1 S\$:** in Singapore dollars or such other currency as may be agreed between the parties;
- 7.1.2 Charges:** inclusive of all charges for Packaging, packing, carriage, insurance and delivery of the Products to the Delivery Address.
- 7.2 No Increase:** Unless otherwise agreed by the Purchaser and Supplier in accordance with Clause 2.3,
- 7.2.1** for Own Brand Products (excluding fresh Products), no increase in the Price may be made in the twelve (12) months from the Product Confirmation Letter and any review after that twelve (12) month period will be notified by the Supplier to the Purchaser in writing at least three (3) months for the Purchaser's consideration.
- 7.2.2** For Own Brand Fresh Products and all other non-Own Brand Products, any increase in the Price from the Product Confirmation Letter shall be on terms to be agreed between the Supplier and Purchaser.
- Any revision of Price made by the Supplier pursuant to this Clause 7.2 and the implementation of the revised Price shall be subject to the written acceptance of the Purchaser.
- 7.3 Settlement of Invoices:** Unless otherwise agreed by the Purchaser and Supplier in accordance with Clause 2.3, the Supplier will invoice the Purchaser for an Order once the Products have been supplied to and accepted at the Delivery Address by the Purchaser. The Purchaser will pay the Supplier's validly rendered invoices in accordance with payment terms agreed by the Purchaser and Supplier as stated in the Trading Terms (by way of direct deposit into the Supplier's nominated bank account). If the Purchaser raises a dispute about any invoice, the Purchaser will promptly notify the Supplier in writing of that dispute. Subject to Clause 26 below, the Purchaser must pay any undisputed portion of the invoice in a timely manner but may withhold payments of the disputed portion until the dispute is resolved by the parties in accordance with the provisions of Clause 27.
- 7.4 No Factoring / Assignment of Invoices:** Unless otherwise required by laws, the Purchaser shall reject any request for settlement of outstanding invoice to be made to any person or entity other than the Supplier. The Supplier shall not factor, assign, novate or otherwise transfer its invoices to be settled by the Purchaser to any third party without prior written approval of the Purchaser.

8. WARRANTY

- 8.1 Warranties:** The Supplier warrants to the Purchaser in terms of the Warranties in **Schedule 2**.

- 8.2 Other Representations:** Without limiting the scope of Clause 8.1, all representations, statements or warranties made or given by the Supplier, its agents and employees (whether orally, in writing or in any of the Supplier's brochures, catalogues and advertisements) regarding the quality and fitness for purpose of the Products or any of the Products will be deemed to be express conditions and essential terms of the Contract.
- 8.3 Time Limits:** Without limiting the scope of Clauses 8.1, 8.2 and Clause 17 if at any time prior to the earlier of:
- 8.3.1 Shelf Life:** the expiry of the Shelf Life of a Product; and
- 8.3.2 Warranty Period:** the expiry of the Warranty Period for that Product;
- that Product is found to be defective or does not comply in any respect with any Warranty or requirement imposed by the Agreement, then without limiting the Purchaser's rights for breach of contract:
- 8.3.3 Returned or Replacement Products:** The Purchaser may require the Supplier to collect any defective or non-compliant Product which has been delivered under the Contract and the Supplier shall (at the option of the Purchaser) either (a) supply replacement Products within five (5) Business Days, or (b) refund any payment which have been made by the Purchaser pursuant to Clause 8.5 below;
- 8.3.4 Termination:** The Purchaser may terminate the Contract by giving ten (10) Business Days' notice in writing. If the Purchaser gives a notice of termination, the Supplier will promptly collect any Products which have been delivered under the Contract and return any payments which have been made by the Purchaser for the Products within five (5) Business Days of receiving written notice from the Purchaser;
- 8.3.5 Short Delivery:** where delivery of the Products under the Contract is less than the quantity specified in the Order and the Purchaser has not exercised its rights of termination under Clause 8.3.4, the Purchaser may accept the Products and recover for the Supplier's breach for its failure to deliver the remainder of the Products or require the Supplier promptly to deliver sufficient Products which correspond to the Contract and comply with the quantity required; or
- 8.3.6 Late Delivery:** where the Products ordered are not delivered on the Delivery Date then, without limiting any other remedy, the Purchaser will be entitled to cancel the Contract.
- 8.4 Returnable Products:** The Supplier undertakes and warrants that all Products are sold on a returnable basis unless otherwise agreed by the Purchaser. If any damaged, defective or non-compliant Products delivered to the Purchaser are non-returnable, the Supplier shall compensate for such damaged, defective or non-compliant Products at the rates as set out in the Trading Terms, without prejudice to the Purchaser's rights and remedies under the Agreement, at law or in equity.
- 8.5 Reimbursement:** The Supplier will be responsible for and, if required by the Purchaser, shall reimburse the Purchaser for the cost of returning any rejected Products and any storage costs reasonably incurred by the Purchaser pending the removal of any rejected Products. The Supplier must repay all amounts paid by the Purchaser in relation to any rejected Products within five (5) Business Days of receiving written notice from the Purchaser that it is rejecting the Products. If the Supplier fails to do so, the Purchaser will be entitled to set off that amount against any other money the Purchaser may owe to the Supplier at any time. The rejected Products will, upon written notice of rejection, become the property of the Supplier, and, if held by the Purchaser, will be held at the Supplier's risk. Any rejected Products marked or identified by the Purchaser's trade mark will not be sold or otherwise disposed of by the Supplier while so marked or identified.
- 8.6 Additional Warranties:** Notwithstanding anything to the contrary, the Supplier warrants that:
- 8.6.1 Compliance of Consumer Protection Laws:** it will strictly comply with the Consumer Protection (Fair Trading) Act and all other laws and regulations in respect of consumer protection.
- 8.6.2 Free of Defect:** The Products are free from any and all forms of defect (whether inherent, apparent or otherwise) and shall fully conform to any contract of sale of goods which the Purchaser may enter into with any and all consumer from time to time and at any time.
- 8.6.3 Breach of Warranties:** if within six (6) months starting from the date on which the Products were sold and/or delivered to the consumer by the Purchaser, the Products are determined by the Purchaser to be in breach in any respect of this Clauses 8.1, 8.6.2 and/or of any requirement imposed by the Purchaser, the Product shall be taken not to have so conformed and/or complied with at the date of delivery of the Products by the Supplier to the Purchaser.
- 8.6.4 Purchaser's Rights:** if the Products (whether prior to or after the delivery to the consumer) are determined by the Purchaser to be in breach in any respect of Clauses 8.1, 8.6.2 and/or of any term in the Agreement, then without limiting the Purchaser's rights for breach of contract, the Purchaser shall have the right to require the Supplier to forthwith carry out any one or a combination of any of the below, to the full satisfaction of the Purchaser, at the Purchaser's full and unfettered option:-

- (a) repair the Products; and/or
- (b) replace the Products; and/or
- (c) provide a discount to be determined by the Purchaser for the Products; and/or
- (d) provide a full refund of the retail selling price of the Products determined by the Purchaser;

within a reasonable time determined by the Purchaser and without causing inconvenience to the Purchaser and the consumers, failing which, the Purchaser shall have the right to carry out the repair and/or replacement and/or discount and/or refund of the Products and the Supplier shall fully reimburse the Purchaser for all cost and expenses incurred, which the Purchaser may elect to deduct against any sums owing by the Purchaser to the Supplier, without further notice to the Supplier.

9. INDEMNITY

- 9.1 Indemnity:** The Supplier, its employees, officers, personnel, agents, contractors and/or any other party who is/are related, associated to the Supplier will indemnify the Purchaser from and against any expenses, damages, losses, costs or other liability incurred by the Purchaser, its servants or agents arising directly or indirectly as a result of:
- 9.1.1 Personal Injury / Property Damage:** any personal injury or property damage arising out of the Products or the use of the Products by any person;
 - 9.1.2 Failure to Comply:** any failure of the Products to comply with the terms of the Agreement including, without limitation, any failure to comply with the terms of the Warranties;
 - 9.1.3 Failure to Perform:** any failure by the Supplier to perform or observe any of its obligations under the Agreement;
 - 9.1.4 Negligence:** any wilful or negligent act or omission of the Supplier; or
 - 9.1.5 Legislation:** any liability under any legislation caused by any act or omission of the Supplier.
- 9.2 Continuing Indemnity:** The indemnity given by the Supplier is a continuing indemnity commencing from the delivery of any Products to the Purchaser.
- 9.3 Deduction; Set-Off:** The Purchaser shall have full and unfettered discretion to elect to deduct against any sums owing by the Purchaser to the Supplier in such indemnification under Clause 9, without further notice to the Supplier.

10. CUSTOMER COMPLAINTS

- 10.1 Complaints:** The Purchaser may refer any complaints or questions concerning the Products to the Supplier.
- 10.2 Supplier:** The Supplier will at its own cost:
- 10.2.1 Deal with Complaints:** deal with any complaints or questions in accordance with any reasonable instructions given by the Purchaser;
 - 10.2.2 Notify the Purchaser:** notify the Purchaser if the Supplier receives notification of a complaint in relation to a Product and where possible supply to the Purchaser the name and address of the relevant customer and details of the relevant Products and any other information which the Purchaser reasonably requires; and
 - 10.2.3 Reports:** provide to the Purchaser any report made by a governmental body or organisation or by any analyst, researcher or research, analytical or testing organisation in relation to the Products.
- 10.3 Complaint Trends:** If there is a complaint trend, the Supplier shall use its best endeavours to reduce such trend or the number of complaints within the time period stipulated by the Purchaser

11. PRODUCT RECALL

- 11.1 Product Recall:** If:
- 11.1.1 Compulsory Product Recall:** any Product is subject to a compulsory Product recall issued by any competent authority in accordance with applicable legislation; or
 - 11.1.2 Good Faith Product Recall:** the Purchaser in good faith considers that a Product should be recalled in the interests of Purchaser's customers or in order to preserve the goodwill and reputation of the Purchaser,

the Supplier will at its own cost:

11.1.3 Co-operate: co-operate with the relevant authority and the Purchaser in co-ordinating and effecting the recall of the Products;

11.1.4 Pick up: (at the Purchaser's option) pick up the Products from the Purchaser's stores or other premises; and

11.1.5 Replace: (at the Purchaser's option) replace the Products or refund the Price of the Products which are subject to the Product recall.

11.2 Recall Indemnity: The Supplier agrees to indemnify the Purchaser against all direct costs, loss, damage or liability suffered or incurred by the Purchaser as a result of any product recall (including a component for the storage, freight and loss of profit as determined by the Purchaser) the costs of withdrawal from sale, the costs of destruction and the costs incurred by Purchaser in complying with any legislation or requirements of any regulatory authority.

11.3 Damages for Product Recall: Notwithstanding the aforesaid recall indemnity, the Supplier shall be liable for the liquidated damages and other compensation and damages as set out in **Schedule 3**.

12. INTELLECTUAL PROPERTY

12.1 Property of Purchaser: Subject to Clause 12.3 below, the Supplier acknowledges that the copyright, design right or other intellectual property right arising from or in connection with the Packaging provided by or on behalf of the Purchaser will be the property of the Purchaser, and agrees that all Packaging whether provided by the Purchaser or the Supplier under the Agreement will be used by the Supplier in the manner and for the purposes only of exercising its rights and performing its obligations under the Agreement.

12.2 Supplier Authorisation: The Purchaser authorises the Supplier to use the Trade Mark, copyright or other intellectual property right on or in relation to the Trade Mark for the purposes only of exercising its rights and performing its obligations under the Agreement.

12.3 Designed by Supplier: Where any part of the Packaging for any Product or its entirety is to be designed by the Supplier for the exclusive use of the Purchaser in accordance with the Agreement, the Supplier will, at the option of the Purchaser:

12.3.1 Assign: assign to the Purchaser the copyright, design right, and all other intellectual property rights on or in relation to the Packaging or any part of the intellectual property, on such terms as will be acceptable to the Purchaser; or

12.3.2 Grant: grant to the Purchaser the exclusive right to sell the Products in the Packaging and the Supplier warrants that the Purchaser's use will not constitute any infringement of the copyright, design right, or other intellectual property rights of the Supplier or any other person.

13. LICENCES AND OTHER FORMALITIES

13.1 Supplier: The Supplier will at its own cost:

13.1.1 Obtain Licences etc: promptly obtain all licences, permits, clearances and other approvals necessary or desirable for the performance of its obligations under the Agreement and comply with all applicable laws, regulations and requirements relating to the supply of the Products to the Purchaser; and

13.1.2 Written Evidence: at the request of the Purchaser, provide the Purchaser with written evidence that the Supplier holds all licences, permits, clearances and other approvals referred to in Clause 13.1.1.

14. RISK AND PROPERTY

14.1 Risk: Risk of damage to or loss of the Products will pass to the Purchaser upon delivery to the Purchaser in accordance with the Contract.

14.2 Property: The property in the Products will pass to the Purchaser upon delivery unless payment for the Products is made prior to delivery, in which case, it will pass to the Purchaser once payment has been made and the Products have been appropriated to the Contract.

15. INSURANCE

15.1 Type of Insurance: The Supplier will effect and keep in force in its name public liability and product liability insurance policies with a reputable insurer for personal injury and property damage of no less than US\$1 million in respect of each claim (or such other amount as may be required by the Purchaser). The Supplier will (on the Purchaser's request) provide evidence that the required insurance policies are in force, failing which the Purchaser shall be entitled to withhold payment of the Supplier's invoices and/or terminate the Agreement. The Supplier shall indemnify, defend and hold harmless the Purchaser against all suits, proceedings, losses, damages, liability or costs (including legal fees on an indemnity basis) suffered or incurred by the Purchaser arising out of or in connection with any breach of this clause.

16. RENTAL OF SHELF SPACE

- 16.1** If during the term of the Agreement, the Purchaser has agreed to grant and the Supplier has agreed to rent Shelf Space for the Products at the Purchaser's outlets,
- 16.1.1 Payment:** payment for the Shelf Space including (any goods and services tax, value-added tax or consumption tax by whatever name called, at the then prevailing rate) shall be deducted at the end of every month from the Purchaser's purchases of the Supplier's Products.
- 16.1.2 Pricing of Products:** the Purchaser shall be at liberty to price the Products displayed at the Shelf Space according to its own pricing policy unless otherwise agreed by the Purchaser in writing.
- 16.1.3 Installation:** the Supplier shall not install or remove any structure/fixture at the Shelf Space unless prior written approval is obtained from the Purchaser. In the event permission is granted to the Supplier to install its own shelving unit, such installation shall meet with the specification and conditions imposed from time to time by the Purchaser and all damage or replacement to such shelving unit shall be borne by the Supplier unless otherwise agreed by the Purchaser in writing.
- 16.1.4 Alternative Space:** in the event that the Purchaser is unable to allocate or continue to reserve the Shelf Space for the sole benefit of the Supplier, the Purchaser reserves the right to offer an alternative space to the Supplier.
- 16.1.5 Rights:** notwithstanding the terms of the Agreement, in the event the Products displayed do not meet with the standards set by any relevant authority or are subsequently found to be unsuitable for display and/or sale or are in breach of any applicable laws and regulations or the Supplier is in breach of the terms of the Agreement, the Purchaser shall have the right to forthwith terminate this Agreement or the rental of Shelf Space to the Supplier.

17. DURATION AND TERMINATION

- 17.1 Terms and conditions:** The Agreement will continue in force unless and until terminated by either party in accordance with this Clause 17.
- 17.2 Termination:** The Purchaser will be entitled to terminate the Agreement by giving written notice to the Supplier if:
- 17.2.1 Delivery Requirements:** the Supplier does not comply with any Delivery Requirement;
- 17.2.2 Packaging Requirements:** the Supplier does not comply with any Packaging Requirement;
- 17.2.3 General Requirements:** the Supplier does not comply with any General Requirement;
- 17.2.4 Warranties:** the Products supplied do not comply with the Warranties; or
- 17.2.5 Goodwill:** the Purchaser determines in its reasonable opinion that the Supplier has damaged the goodwill or reputation of the Purchaser.
- 17.3 Termination by Either Party:** Either party will be entitled to terminate this Agreement:
- 17.3.1 Material Breach:** by giving written notice to the other party if the other party commits any continuing or material breach of any of the provisions of this Agreement and, in the case of a breach which is capable of remedy, fails to remedy the breach within five (5) Business Days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
- 17.3.2 Notice:** by giving at least three (3) months' written notice to the other party without assigning any reason; or
- 17.3.3 Insolvency Event:** by giving written notice to the other party if the other party is subject to an Insolvency Event.
- 17.4 Remedy of Breach:** For the purpose of Clause 17.3.1, a breach will be considered capable of remedy if the party in breach can comply with the provision in question in all respects other than as to the time of performance (provided that time of performance is not of the essence).
- 17.5 Waiver:** Any waiver by either party of a breach of any terms, conditions or provisions of this Agreement will not be considered as a waiver of any subsequent breach of the same or any other provision.
- 17.6 Purchaser's Termination:** At the option of the Purchaser on termination of this Agreement:
- 17.6.1 Acceptance:** the Purchaser shall not be obliged to accept or pay for Products supplied under any pending Orders accepted prior to the notice of termination given by either party; or
- 17.6.2 Process:** the Supplier will be obliged to deliver, and the Purchaser will pay for all pending Orders accepted prior to the notice of termination given by either party; or

17.6.3 Returns: the Supplier will at the Supplier's cost return to the Purchaser all unused Packaging and other material provided by the Purchaser to the Supplier or destroy all unused Packaging and other material incorporating the Purchaser's intellectual property.

17.7 Rights: The rights to terminate the Agreement given by this clause will not adversely affect any other right or remedy of either party in respect of the breach concerned (if any) or any other breach.

17.8 Survival; No Further Obligations: On termination of this Agreement for any reason, subject to Clauses 8 to 13, 18 and 26 and/or to any rights or obligations of the parties which would reasonably be expected to survive the termination or expiration of the Agreement, neither party will have any further obligation to the other under the Agreement.

18. CONFIDENTIALITY AND PERSONAL DATA

All specifications and other information provided by the Purchaser in connection with the Agreement and/or an Order, and information about the Purchaser (including without limitation any Personal Data) and its business operations which the Supplier becomes aware of through its dealing with the Purchaser (collectively "Information"), is confidential to and property of the Purchaser. The Supplier will:

18.1 Confidence: treat, and ensure its personnel treat, Information with the utmost confidence;

18.2 No Disclosure: not disclose Information to third parties;

18.3 No Other Use: not use Information for any purpose other than to perform obligations under the Agreement;

18.4 Compliance with PDPA: strictly comply with the PDPA; and

18.5 Return: return Information to the Purchaser on demand.

19. INFORMATION

The Supplier must immediately notify the Purchaser in writing if:

19.1 Insolvency Event: an Insolvency Event occurs in relation to the Supplier;

19.2 Change of Address: the Supplier changes its address;

19.3 Sale of Business: the Supplier sells its business;

19.4 Change of Control: there is a material change in control or management of the Supplier; or

19.5 Notice of Non-compliance: the Supplier receives notification of any complaint, possible litigation or regulatory noncompliance in respect of any Product.

20. PURCHASER'S B2B PORTAL

20.1 Primary Means of Communication: The Supplier acknowledges that the Purchaser will use the B2B Portal as primary means of communication with the Supplier in relation to any matter relevant to the Agreement (for e.g., the Purchaser's transmission of Orders and the Return-to-Vendor note, the Supplier's acknowledgment of Order, etc. as set out in **Schedule 5**). The Supplier agrees to keep its contact details on the B2B Portal up to date.

20.2 Integral Part of Agreement: All relevant documents on the B2B Portal including without limitation any notice issued by the Purchaser via the B2B Portal shall form part of the Agreement and therefore, the Purchaser and the Supplier are required to comply with the requirements set out in those documents.

20.3 Changes: All changes to any documents on the B2B Portal will be made in accordance with Clause 2.3 and will be communicated to the Supplier via email, the B2B Portal or other communication manners as stated in Clause 2.3.

20.4 Regular Monitoring: The Supplier agrees to regularly monitor the B2B Portal for written notification or announcement relevant to the Agreement and/or its supply of Products under the Agreement.

21. ASSIGNMENT

21.1 Successors and Assignees: This Agreement will ensure to the benefit of and be binding upon the parties and their respective successors and assignees as may be agreed upon by the parties.

21.2 No Assignment: The Supplier may not assign, or transfer any of its rights or obligations under the Agreement without the prior written approval of the Purchaser. A change in the effective control or management of the Supplier will be deemed to be an assignment for the purposes of this clause.

22. ENTIRE AGREEMENT; VARIATION; SEVERANCE

The Agreement embodies all the terms and conditions agreed upon between the parties as to the subject matter of this Agreement and supersedes and cancels in all respects all previous agreements and undertakings, if any, between the parties with respect of the subject matter of the Agreement other than agreements in writing intended to vary the Agreement signed by the Purchaser in accordance with Clause 2.3. If any provision of the Agreement is determined to be invalid, void or unenforceable, the remaining provisions of the Agreement will remain in full force and effect.

23. NOTICES

23.1 Notices: Save for the notices issued to the Supplier by the Purchaser through the B2B Portal, any notice or other communication required to be given or made under or in relation to the provisions of this Agreement must in writing and signed by the party giving the notice or by any officer of that party.

23.2 Address: Notices may be given to the Supplier at the address shown on the Supplier's invoice, the address to which Orders are sent or any other address agreed in writing by the Purchaser and the Supplier in accordance with Clause 2.3. Notices may be given to the Purchaser at the address for communications specified in writing by the Purchaser from time to time.

23.3 Delivery: Any notices addressed as provided above will be duly given or made:

23.3.1 when delivered by hand, on delivery;

23.3.2 if sent by facsimile, on transmission;

23.3.3 if sent by post, on the third Business Day after the date of posting;

23.3.4 if by electronic means, at the time of transmission; or

23.3.5 if by telex, at the time of transmission;

provided that any communication sent in accordance with Clauses 23.3.1, 23.3.2, 23.3.4 and 23.3.5 on a day which is not a Business Day or after 5pm (in the place of receipt) will be deemed to have been received on the following Business Day.

24. FURTHER ASSURANCES

The parties will each do all acts, matters and things as may be reasonably necessary to give full effect to the Agreement.

25. GOVERNING LAW AND JURISDICTION

25.1 Laws of Singapore: The Agreement will be governed by and construed in accordance with the laws of Singapore.

25.2 Singapore Courts: The parties will irrevocably submit to the non-exclusive jurisdiction of the courts of Singapore.

26. SET OFF

The Purchaser shall be entitled to set off and deduct:

26.1 any payment or arrears due to the Supplier by the Purchaser towards the satisfaction of any arrears due or sums outstanding from the Purchaser to the Supplier as it deems fit, whether or not such arrears or sums outstanding are disputed; and/or

26.2 any sums due to the Supplier against the damages, compensation, costs and expenses resulting from any breach by the Supplier of its obligations under the Agreement and any losses sustained as a result.

27. DISPUTE RESOLUTION

Where any dispute arises in relation to the Agreement the Purchaser and the Supplier will make genuine efforts to resolve the dispute by negotiation between them (ensuring the dispute is internally escalated to the appropriate levels of management as required).

28. THIRD PARTIES

The Agreement and acceptance thereof do not create any rights under the Contract (Rights of Third Parties) Act 2001 or any statutory modification or re-enactment thereof for the time being in force, which is enforceable by any person who is not party to it.

29. CODE OF CONDUCT

The Supplier (including its employees, promoters, agents and contractors) shall ensure that its employees, promoters, agents and contractors abide by the Purchaser's house rules while working at any premises of the Purchaser and the following key elements of Code of Conduct of the Purchaser:

- 29.1 Illicit Payment:** The Supplier must not give any bribe, other illicit payment or inducement to any person. This applies to any form of secret payment to any person.
- 29.2 No Gift:** The Supplier must not offer or procure any advantage and/or gifts as an inducement to or reward for showing or forbearing to show favour or disfavour to any person in relation to the Purchaser's businesses. Gifts include cash or cash equivalents, and all sorts of entertainment, privileges and hospitality including vouchers, hampers and invitations to lunch, dinner, sporting events, or concerts.
- 29.3 Conflict of Interest:** The Supplier must disclose to the Purchaser, and obtain the Purchaser's prior written approval to, any involvement of the Purchaser's employees or their family members in the Supplier's business as a shareholder, partner, consultant, or agent.

30. WAIVER

The failure or omission of a party to enforce any of the provisions of this Agreement or any forbearance, delay or indulgence granted by a party shall not be construed as a waiver of any of such party's rights pursuant to this Agreement and shall not be deemed to be a waiver of any separate or subsequent breach by the other party.

SCHEDULE 1

1.1 Definitions:

"**Agreement**" means the Trading Terms, the DFI Supply Terms;

"**B2B Portal**" means the Purchaser's system and communication portal to be subscribed by the Supplier for the Purchaser's web electronic data interchange service;

"**Business Day**" means a day (other than a Saturday or Sunday) on which registered banks are open for business in Singapore;

"**Contract**" has the meaning provided in Clause 2.2;

"**Delivery Address**" means the address to which the Products are to be delivered as specified in the Contract;

"**Delivery Date**" means the date on which the Products are to be delivered as specified in the Contract;

"**Delivery Period**" means the period of time on the Delivery Date during which the Products are required to be delivered as specified in the Contract;

"**Delivery Requirements**" means the requirements, procedures or guidelines for delivery of the Products as notified by the Purchaser to the Supplier in writing from time to time;

"**General Requirements**" means any requirements, specifications, procedures and/or guidelines (other than Delivery Requirements or Packaging Requirements) relating to the quality and safety of Products, manufacturing, preparation, production, source and/or supply of the Products by the Supplier to the Purchaser;

"**Insolvency Event**" means in relation to a party:

- (a) an encumbrancer taking possession, or a receiver being appointed over any of the property or assets of that party;
- (b) that party making any voluntary arrangement with its creditors;
- (c) that party going into liquidation (in the case of a company) (except for the purpose of an amalgamation, reconstruction, or other reorganisation and in such manner, that the company resulting from the reorganisation effectively agrees to be bound by or to assume the obligation imposed on that other party under the Agreement);
- (d) that party becoming bankrupt (in the case of an individual); or
- (e) that party ceasing or threatening to cease, to carry on business;

"**Order**" means the Purchaser's purchase order for any of the Products;

"**Own Brand Products**" means Products manufactured, produced and/or packaged for the exclusive use of the Purchaser.

"**Packaging**" means the get up of the packaging for the Products, including the container, packaging and label for the Products;

"**Packaging Requirements**" means the requirements and guidelines for packaging the Products as notified by the Purchaser to the Supplier in writing from time to time;

"**PDPA**" means Personal Data Protection Act 2012 including all subsidiary legislations, guidelines, practices in force from time to time in Singapore;

"**Personal Data**" shall have the meaning given to it in the PDPA;

"**Price**" means the price of the Products payable by the Purchaser to the Supplier as specified in the Product List at the time of Order or Delivery Date (whichever price is the lower) or as otherwise agreed in writing by the parties;

"**Product Confirmation Letter**" means written correspondence from the Purchaser to the Supplier confirming the Purchaser's intention to place Orders for particular types of Products;

"**Product List**" means the list of Products and prices for Products provided by the Supplier to the Purchaser in accordance with Clause 3 as amended, modified and supplemented from time to time;

"**Products**" means the products to be supplied by the Supplier to the Purchaser;

"**Promotion Discount Fund**" or "**Promotion Discount Rebate**" means the rebate covers all promotional support and activities undertaken by the Supplier throughout the Trading Terms Period, and the full amount will be charged over the course of the said Trading Terms Period. The Promotion Discount Fund will not be conditional to specific activity(ies) being performed;

"**Purchaser**" means the person specified in the Contract who purchases the Products from the Supplier;

"**Sample**" means the sample of the Products approved by the Purchaser in accordance with Clause 3.2.1;

"**Shelf Life**" means the period of time from the Delivery Date during which a Product is required to remain in fit and merchantable quality when stored in accordance with normal procedures for Products of that type as specified in the Contract or if no such period is specified a period equal to the Warranty Period;

"**Shelf Space**" means that shelf space rented by the Supplier in the Purchaser's retail premises at the rates, location and other details as set out herein and in the rental programme attached as **Schedule 6**.

"**Specification**" means the specification of the Products approved by the Purchaser in accordance with Clause 3.2.1;

"**Supplier**" means the person specified in the Contract who sells the Products to the Purchaser;

"**Target Incentive Rebate**" means an incentive based on measurement of the Purchaser's year to year purchase growth. If the growth is within or above the agreed range stated in the relevant Trading Terms, a rebate will be deducted based on current year purchase value multiplied by the agreed rate in the relevant Trading Terms. For avoidance of doubt, the Purchaser reserves the right to apply total Order value of the year to determine the growth. The computation of the Target Incentive Rebate is illustrated under the Trading Terms.

"**Trade Mark**" means the trade marks, trade names and logos of the Purchaser as notified by the Purchaser from time to time;

"**Trading Terms**" means the trading term agreement agreed in writing between the Purchaser and the Supplier from time to time;

"**Trading Terms Period**" means the duration of the Trading Terms as stated therein;

"**Warranties**" means the warranties provided by the Supplier to the Purchaser as set out in **Schedule 2**;

"**Warranty Period**" means a period of twelve (12) months from the date of delivery of a Product or any other longer period specified in the Contract for the supply of that Product;

- 1.2 **Contract:** references to the Agreement will include references to a Contract;
- 1.3 **Defined Expressions:** expressions defined in the main body of the DFI Supply Terms have the defined meaning in the whole of the Agreement including the background;
- 1.4 **Gender:** words importing one gender include the other genders;
- 1.5 **Headings:** section, clause and other headings are for ease of reference only and will not affect the Agreement's interpretation;
- 1.6 **Negative Obligations:** any obligation not to do anything will include an obligation not to suffer, permit or cause that thing to be done;
- 1.7 **Parties:** references to parties are references to parties to the Agreement;
- 1.8 **Plural and Singular:** words importing the singular number will include the plural and vice versa;
- 1.9 **Persons:** references to persons will include references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality;
- 1.10 **Schedules:** the schedules to the DFI Supply Terms and the provisions and conditions contained in these schedules will have the same effect as if set out in the body of the Agreement;
- 1.11 **Sections, Clauses and Schedules:** references to sections, clauses and schedules are references to sections, clauses and schedules of the DFI Supply Terms; and
- 1.12 **Statutes and Regulations:** references to any statutory provision will include any statutory provision which amends or replaces it, and any subordinate legislation made under it.

SCHEDULE 2

Warranties

The Supplier warrants that:

1. the Products supplied to the Purchaser:
 - (i) are manufactured, produced, prepared and/or procured, stored, transported, and delivered in good saleable condition and of merchantable quality, fit for the purpose for which they are supplied for retail sale;
 - (ii) are manufactured, packaged, labelled and described in compliance with all applicable legislation and/or regulations whether or not pertaining specifically to the Product supplied and do not infringe or pass-off the intellectual property rights of others;
 - (iii) are free of any defect rendering them unmerchantable, which would not be apparent on reasonable examination of samples thereof;
 - (iv) correspond with any relevant Specification or Sample; and
 - (v) are free of encumbrances.
2. the Supplier has all necessary consents, licences and authorities to provide the Products and that the performance of its obligations under the Contract will not result in the breach of any other agreement, legislation or regulation (by the Supplier or the Purchaser);
3. all Products supplied (and the Supplier's systems which relate to them) will not be affected by any adverse performance or functionality impediments or interruptions relating to date entry, sequencing, transition, calculation or processing (including, without limit, relating to the year 2000 and beyond);
4. the Supplier will provide appropriate support for its Products on reasonable terms and at reasonable rates; and
5. bar-code numbers used in the labelling of Products supplied to the Purchaser are properly authorised and will be applied uniquely to one Product and that the code number will not be applied to any other product.

SCHEDULE 3

Rates of Liquidated Damages

| Category of non-conformance | Liquidated Damages (SGD) | Remarks |
|--|--|--|
| Inaccurate or non-conformance of nutritional data | \$1,000 per article or Actual testing cost recovery | Suppliers shall pay \$1,000 per item or actual test amount (whichever is higher); and such LD amount will be deducted automatically by DFI. |
| Compulsory Product Recall | Penalty based on "Risk Level" Up to 100% on cost of the Order <u>Others: actual associated cost incurred including government penalty etc.</u> | Refer to Clause 11. |
| Good Faith Product Recall | LD imposed based on "Risk Level" from \$50 - \$100 per store (subject to DFI's assessment) + Sale loss recovery (subject to parties' negotiation on a case-by-case basis) + Others: actual associated cost incurred (including government penalty etc.) | <ul style="list-style-type: none"> Refer to Clause 11. All recalls will incur a penalty based on risk level. Assessment of the LD amount will be positively impacted by effectiveness, timeliness and completeness of pre-and post-communication and corrective action, as well as accuracy and availability of necessary technical and commercial data provided by Supplier. |
| Product / coupon issue <ul style="list-style-type: none"> Barcode non-scannable issue i.e. multipack/unknown barcode and unknown coupon barcode Order Pack / Size issue i.e. wrong or un-informed order pack / size | \$5,000 per article per each DFI Banner \$1,000 per article per DFI Banner | |
| Space issue i.e. unauthorised space display / promotion in store without DFI's approval | \$5,000 per Article per DFI Banner | |
| Service level issue i.e. service level below 95% | 5% of the shortfall value | Refer to Clause 6.5. |

SCHEDULE 4

Fees and Charges

The Supplier shall pay the following fees and charges (unless otherwise stipulated in Trading Terms):

| Fee | Group | Description | DFI Banners |
|--------------------|---------------------|---|---|
| Administration Fee | Vendor Fee | New vendor account creation fee | SGD\$5000 per vendor per Banner |
| | | Vendor brand transfer fee | SGD\$1500 per brand per Banner |
| | Product Listing Fee | New article listing | SGD\$150 per article per store SGD\$200 per article per store (Hyper) |
| | | Article extension fee / New article replacement | SGD\$50 per article per store (7-Eleven) |
| | | Article listing fee for New Store (include store reopen as New Store after 3 months' closure) | SGD\$100 per article per store SGD\$200 per article per store (Hyper) SGD\$50 per article per store (7-Eleven and Guardian) |
| | | Re-listing fees for Refurbished Store | SGD\$50 per article per store |

Note: Tobacco products will be discussed separately.

SCHEDULE 5

Acceptance of the Purchaser's Web Electronic Data Interchange ("EDI") Service ("B2B Portal")

The Supplier explicitly agrees :

1. To acknowledge and accept the Purchaser's transmission of Orders in the prescribed form and electronic format through the Web EDI Service("e-PO");
2. To authorise, acknowledge and accept transmission of the Purchaser's Return To Vendor in electronic format through the Web EDI Service to the Supplier for the purposes of collection of goods by the given timeline and/or disposal and payment deduction thereafter;
3. To acknowledge and accept the Return-to-Vendor note as the main reference document for all reconciliations and/or resolutions of discrepancies, if any;
4. To indemnify the Purchaser in full for any and all losses, claims, liabilities (including all legal cost) which may arise from or in connection with the use of the Web EDI Service or breach of any authorisation and/or terms and conditions pursuant to the Web EDI services therein; and
5. That all authorisations and terms and conditions as stipulated pursuant to the Web EDI Service therein shall not be rescinded or otherwise amended without the prior written consent from the Purchaser.

SCHEDULE 6

Shelf Space Rental Programme Details