

EATON Selling Policy

Appendix A. Code of Ethics

Eaton Corporation requires that all directors, officers and employees of Eaton, its subsidiaries and affiliates ("Eaton") abide by the fundamental principles of ethical behavior listed here in performing their duties.

1. **Obeying the law** – We respect and obey the laws, rules and regulations applying to our businesses around the world.
2. **Integrity of recording and reporting our financial results** – We properly maintain accurate and complete financial and other business records and communicate full, fair, accurate, timely and understandable financial results and other material information. We have developed a system of internal controls designed to preserve the integrity of our records and information.
3. **Respecting human rights** – We respect human rights and require our suppliers to do the same.
4. **Delivering quality** – We are committed to producing quality products and providing quality services.
5. **Competing ethically** – We gain competitive advantage through superior performance. We do not engage in unethical or illegal trade practices.
6. **Respecting diversity and fair employment practices** – We are committed to respecting a culturally diverse workforce through practices that provide equal access and fair treatment to all employees on the basis of merit. We do not tolerate harassment or discrimination in the workplace.
7. **Avoiding conflicts of interest** – We avoid relationships or conduct that might compromise judgment or create actual or apparent conflicts between our personal interests and our loyalty to Eaton. We do not use our position with Eaton to obtain improper benefits for others or ourselves. We do not engage in activities or enter into relationships that compete with Eaton.
8. **Protecting assets and information** – We use Eaton property, information and opportunities for Eaton's business purposes and not for unauthorized use. We properly maintain the confidentiality of information and employee data entrusted to us by Eaton or others.
9. **Acting with integrity** – We do not offer or accept bribes, kickbacks or inappropriate gifts or entertainment. We engage in business practices that are consistent with our ethics and values.
10. **Selling to governments** – We comply with the special laws, rules and regulations that relate to government contracts and relationships with government personnel.
11. **Political contributions** – We do not make contributions on behalf of Eaton to political candidates or parties, even where lawful.
12. **Environment, health and safety** – We are committed to being a global leader in safeguarding the health and safety of our employees and protecting the environment.

Reporting – Subject to local law, any person may openly or anonymously report any ethical concern or potential or actual legal violation, including any accounting, financial, tax or anti-bribery matter, to the Ethics and Compliance Office. Confidentiality will be maintained to the fullest extent possible while permitting an appropriate investigation. These reports may be made by postal mail, e-mail or telephone as indicated below:

Postal mail - Send mail to: VP, Ethics and Compliance, Eaton Corporation, 1111 Superior Ave, Cleveland, Ohio 44114 USA

E-mail - Send e-mail to Ethics@eaton.com or use the web forms located on the Global Ethics website accessible through JOE (Eaton's intranet) or on Eaton's external website.

Telephone - Contact the Ethics and Financial Integrity Help Line by dialing 800.433.2774 from the U.S. and Canada. From all other countries, dial the number listed on your local Ethics poster or on the Global Ethics website on JOE. The Help Line is toll-free, and a multilingual representative is available 24 hours a day 7 days a week.

Multilingual support - If you prefer, you may use your native language to write your concern to one of the addresses above, and we will translate your letter or e-mail.

Eaton will not permit retaliation against any employee who reports an ethical, legal or financial concern nor will it discipline any employee for making a report in good faith.

Personal responsibility - Every director, officer and employee has the personal responsibility to read, know and comply with the principles contained in this Code of Ethics. Subject to local law, compliance with these principles is a condition of employment, and failure to comply may result in discipline, up to and including termination. The Board of Directors shall determine, or designate appropriate management personnel to determine, the actions to be taken in the event of violations of the Code of Ethics. These actions will be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Ethics. Subject to local law, every director, officer and employee has the duty to bring to the attention of Eaton any activity that in his or her judgment would violate these principles. Reports may be made to a supervisor or another member of management, or the Ethics and Compliance Office as noted above. Potential violations may also be reported to the chairs of the Audit or Governance Committees of the Board of Directors, or directly to the full Board of Directors, by mail in care of the VP, Ethics and Compliance, who will forward the report.

We expect our distributor supplier, customers and partners to comply the above codes, and signing the contract attached with this Appendix will be deemed as agreeing our Code of Ethics. Eaton may terminate this contract for any violation of this Code of Ethics.

Appendix B. Terms and Conditions

1. GENERAL

Buyer's order for goods and/or service provided by Seller ("Goods and/or Services") ("Order") is deemed to incorporate, and will be supplied by Seller on, these sales Terms and Conditions ("Terms and Conditions"). The Contract for Sale of the Goods or Services ("This Contract") is expressly limited to the Terms and Conditions stated herein.

2. QUOTATION

2. 1. Unless otherwise expressly agreed by Seller in writing, the prices quoted by Seller for the Goods and/or Services are excluded of freight and the Value Added Tax (tax will be added to Buyer's invoice).
2. 2. Written quotations are valid for thirty (30) days from its date unless otherwise stated in the quotation or terminated sooner by notice.
2. 3. Verbal quotations, unless accepted, expire the same day they are made.
2. 4. When prices are quoted as firm for quoted shipment, they are firm provided the following conditions are met: The Order is released with complete engineering details; and shipment of Goods are made, and Services purchased are provided within the quoted lead time.
2. 5. All prices are subject to change without notice. In the event of a price change, all quotations made or Orders shall be based on the new price. For existing Orders, the price of the unshipped portion of an Order will be the price in effect at time of shipment.

3. ORDER

3. 1. Goods

Any order may be terminated by the Buyer only by written notice and upon payment of reasonable termination charges, including all progress billings and all incurred direct manufacturing costs.

Services

Any order may be terminated by the Buyer only by written notice and upon payment of reasonable termination charges including all costs plus profit.

3. 2. Seller may decline, by written notice to Buyer, any Order in whole or in part, at any time prior to providing Order confirmation to Buyer.

3. 3. When Seller fails to respond to Buyer as to whether to accept the Order after ten (10) days of receipt of the Order, the Order shall be deemed to have been rejected by Seller.

4. DELIVERY AND PERFORMANCE

4. 1. Unless otherwise expressly agreed by Seller in writing, all Goods will be delivered ex-warehouse.
4. 2. Seller reserves the right to deliver the Order by installment and each installment shall be deemed to be sold under a separate Order. Failure of Seller to deliver any installment shall not entitle Buyer to cancel the balance of the Order.
4. 3. Any time quoted for delivery or performance of Seller is indicative only and while Seller will use its reasonable efforts to meet the delivery or performance dates. Seller shall not be liable for any loss or damage suffered by Buyer if it is unable to meet those dates. Any reasonable delay in delivery or performance of the Order shall not relieve Buyer from any obligation to accept or pay for Goods and/or Services.
4. 4. Seller may suspend or cancel the shipment or delivery of Goods and/or Services if Buyer fails to pay Seller in accordance with these Terms and conditions or any prior Orders.
4. 5. Unless otherwise expressly agreed by both parties, Buyer shall complete inspection of Goods within 3 days following the delivery of Goods, where Buyer fails to complete inspection within such 3 days, the Goods shall be deemed to be accepted by Buyer.

5. PAYMENT TERMS

5. 1. Unless otherwise provided in the Order, all the payment for the Goods and/or Services shall be made as follows: Twenty percent (20%) of Order value with the Order payable in advance within thirty (30) days upon receipt of contract; Eighty percent (80%) of Order value with the Order payable before the date of delivery.
5. 2. Provided that the Parties agreed in the Order that the payment for the Goods and/or Services shall be made in installment, the terms of payment shall be net 30 days from the date of invoice of each shipment. Notwithstanding the above, if in Seller's absolute discretion, Buyer's financial status is or becomes unsatisfactory to Seller, Seller reserves the right to require payment of the price for Goods and/or Services in full cash advance or require security for the price in respect of all future deliveries or Services.
5. 3. If Buyer fails to make any payment when due, then, without prejudice to Seller's other remedies and right: Interest shall be charged at 0.1% of the delayed payment every day; Any collection expenses incurred by Seller attempting to recover or recovery of such overdue amount shall become payable and due by Buyer; Seller shall have the right to withhold further deliveries.

6. PROPERTY AND RISK

6. 1. Title in the Good and the risk of loss or damage to the Goods shall pass to Buyer on delivery as set forth in clause 4.1. If Buyer fails to pay all monies outstanding with respect to the Goods in full, Seller can reclaim the title in accordance with 6.3 below and Buyer agrees to store the Goods separately and mark them so as to render them identifiable as being or being made from the property of Seller.
6. 2. Should the Goods or any part of them be converted into or incorporated in a new product (s) ("New Product"), the New Product shall be the property of Seller to the extent

comprised of or from the Goods.

6. 3. When Buyer defaults in the payment of Goods and fails to rectify that default within ten (10) days after receipt of the notice from Seller requesting such rectification, Buyer shall place the Goods at Seller's disposal and Seller shall be entitled to enter upon Buyer's premise to remove such Goods.

7. WARRANTY AND LIMITATIONS

7. 1. Warranties for Goods

7. 1. 1. Seller warrants that the Goods manufactured or supplied by it will conform to Seller's applicable specifications and be free from failure due to defects in the workmanship and material for one (1) year from the date of installation of the Goods or eighteen (18) months from the date of shipment of the Goods, whichever occurs first ("Warranty Period").

7. 1. 2. In the event that any of the Goods fails to comply with the foregoing warranty Seller will, at its option, either (a) repair or replace the defective Goods, or defective part or component thereof; or (b) credit Buyer for the purchase price of the defective Goods. The Seller may require all non-conforming Goods be returned at Seller's expenses for evaluation.

7. 1. 3. This warranty does not cover failure or damage due to storage, installation, operation or maintenance not in conformity with Seller's recommendations and industry standard practice or due to accident, misuse, abuse or negligence. This warranty does not cover reimbursement for labor, gaining access, removal, installation, temporary power or any other expenses, which may be incurred in connection with repair or replacement.

7. 1. 4. This warranty does not apply to equipment not manufactured by Seller. Seller limits itself to extending the same warranty it receives from the equipment supplier.

7. 1. 5. All warranty claims shall be made in writing within the Warranty Period, or Seller has no obligation to such warranty.

7. 2. Warranties for Services: Seller warrants that the Services performed by it hereunder will be performed in accordance with generally accepted professional standards; The Services, which do not so conform, shall be corrected by Seller upon notification in writing by Buyer within one (1) year after completion of the Service ("Warranty Period"); All warranty claims shall be made to Seller within the Warranty Period, or Seller has no obligation of correction.

7. 3. Limitation on Warranties

TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE FOREGOING WARRANTIES ARE BUYER'S SOLE REMEDY AND, EXCEPT FOR WARRANTY OF TITLE, THERE ARE NO OTHER (AND SELLER DISCLAIMS ANY OTHER) EXPRESS OR IMPLIED WARRANTIES INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY QUALITY OR FITNESS FOR PURPOSE. TO THE EXTENT PERMITTED BY APPLICABLE LAW, SELLER'S OBLIGATIONS UNDER THE FOREGOING WARRANTIES, AS SET OUT IN THE TERMS AND CONDITIONS, ARE SELLER'S SOLE LIABILITY FOR BREACH OF WARRANTY WHETHER BUYER'S CLAIMS ARE BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE.

8. LIMITATION OF LIABILITY

8. 1. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANY PROVISION IN THIS CONTRACT TO THE CONTRARY, THE REMEDIES OF BUYER SET FORTH IN THESE TERMS AND CONDITIONS ARE EXCLUSIVE AND ARE ITS SOLE REMEDIES FOR ANY FAILURE OF SELLER TO COMPLY WITH ITS OBLIGATIONS UNDER THIS CONTRACT;**

8. 2. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANY PROVISION IN THIS CONTRACT TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR DAMAGE TO PROPERTY OR EQUIPMENT OTHER THAN GOODS SOLD HEREUNDER, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF PRODUCTS, COST OF CAPITAL, CLAIMS OF CUSTOMERS OF BUYER OR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER, REGARDLESS OF WHETHER SUCH POTENTIAL DAMAGES ARE FORESEEABLE OR IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

8. 3. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANY PROVISION IN THIS CONTRACT TO THE CONTRARY, IN ANY EVENT THE TOTAL CUMULATIVE LIABILITY OF SELLER ARISING FROM OR RELATED TO THE TERMS AND CONDITIONS AND ORDER WHETHER THE CLAIMS ARE BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, SHALL NOT EXCEED THE PRICE OF THE GOODS OR SERVICES ON WHICH SUCH LIABILITY IS BASED.**

9. FORCE MAJEURE

9. 1. Seller shall not be liable for failure to perform or delay in performance due to fire, flood, strike or other labor difficulty, act of God, act of any government authority or of Buyer, riot, embargo, fuel or energy shortage, car shortage, wrecks or delays in transportation, or due to any other case beyond Seller's reasonable control.

9. 2. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

10. COMPLETE AGREEMENT

No amendment or modification hereto nor any statement, representation or warranty not contained herein shall be binding on Seller unless made in writing by an authorized representative of Seller. Prior dealings, usage of the trade or a course of performance shall not be relevant to determine the meaning of these Terms and Conditions.

11. SEVERABILITY AND SURVIVAL

11. 1. It is agreed that if any provision of these Terms and Conditions should be determined to be void by any court or an arbitration tribunal of competent jurisdiction, then such determination shall not affect any other provision hereof, and each such other provision shall remain in full force and effect.

11. 2. The terms including Limitation on Warranties, limitation of liability, confidentiality, applying law, dispute settlement, and this clause will survive the expiration or termination of this Contract.

12. CONFIDENTIALITY

12. 1. Any information made available to Buyer by Seller in connection with this Contract shall be treated as confidential. Buyer shall use the information only for the purposes specified in this Contract.

12. 2. This confidentiality obligation shall not apply to information which Buyer can demonstrate, is already in the public domain or becomes available to the public through no breach by Buyer of this confidentiality undertaking; or was in Buyer's possession prior to receipt from Seller without a confidentiality undertaking; or has thereafter been legally obtained without confidentiality obligation from others; or is independently developed by Buyer without reference to the information received hereunder.

13. GOVERNING LAW

This Contract, these Terms and Conditions and/or the Orders shall be governed by and construed in accordance with the laws of Malaysia.

14. HELD ORDERS

14. 1. For any Order held, delayed or rescheduled at the request of Buyer, or Buyer fails to pick up the Goods within the agreed period, Seller may, at its sole option, (1) require payment to be based on any reasonable basis, including but not limited to the contract price, and any additional expenses, or cost resulting from such a delay; (2) store the Goods at the sole cost and risk of loss of Buyer; (3) charge to Buyer those prices under its applicable price policy; and/or (4) terminate this Contract and shall be entitled to retain the down payment and claim for damages, where the Goods are customized pursuant to Buyer's specifications, such damages shall be the total amount of the Contract value. Payment for such price, expenses and costs, in any such event, shall be due by Buyer within thirty (30) days from the date of Seller's invoice.

14. 2. Any Order so held delayed or rescheduled beyond six (6) months will be treated as a Buyer termination, subject to any remedy available to Seller in accordance with law and these Terms and Conditions.

15. IP INFRINGEMENT

15.1 Seller will assist Buyer in defending or, at its option, settle any suit or proceeding brought against Buyer, or Buyer's customers, to the extent that it is based upon a claim that any of the Goods or part thereof, manufactured by Seller or its subsidiaries and furnished hereunder, infringes any applicable IP rights, including any United States patent, other than a claim of infringement based upon use of a product or part of thereof in a process, provided Seller is notified in reasonable time and given authority and information for the assistance. In addition to the foregoing, if at any time Seller determines there is a substantial question of infringement of any applicable IP rights, and the use of the such Goods is or may be enjoined, Seller may at its option: either (a) procure for Buyer the right to continue using and selling the Goods; (b) replace the Goods with non-infringing apparatus; (c) modify the Goods so that they become non-infringing; or (d) as a last resort, remove the Goods and refund the purchase price, equitably adjusted for use and obsolescence. The foregoing states the entire liability of Seller for IP infringement.

15.2 The preceding paragraph does not apply to any claim of infringement based upon: (a) any modification made to the Goods other than by Seller; (b) any design and/or specifications of Buyer to which the Goods were manufactured; or (c) the use or combination of the Goods with other products where the Goods do not infringe. As to the above-identified claims situations where the preceding paragraph does not apply, Buyer shall defend and hold Sellers harmless in the same manner and to the extent as Seller's obligations described in the preceding paragraph. Buyer shall be responsible for obtaining all license rights required for Seller to be able to use software products in the possession of Buyer where such use is required in order to perform any Service for Buyer.

16. TERMINATION

16. 1. This Contract will expire upon its own term, except those terms that are specifically stated in these Terms and Condition to survive the expiration or termination of this Contract.

16. 2. By mutual consent, this Contract can be terminated earlier.

16. 3. Either Party may terminate this Contract immediately upon the occurrence of any of the following events: materially breach of contract by the other Party and the breaching Party does not rectify within thirty (30) days after receiving breach notice or in any time limit agreed by both Parties; or bankruptcy or insolvency of the other Party; In case the Buyer fails to make advance payment within ninety (90) days after execution of this Contract, Seller shall be entitled to terminate this Contract immediately.

16. 4. Seller is entitled to reasonable reimbursement for any labor, material or other expenses incurred in connection with this Contract, where the Goods are customized pursuant to Buyer's specifications, such reimbursement shall be the total amount of the Contract value. Seller reserves further rights including the right to claim damages hereunder.

17. DISPUTE RESOLUTION

Any dispute(s) arising out of or in connection with this Contract, these Terms and Conditions and/or the Orders, including the validity, interpretation, performance or termination thereof, or any other agreement, matter or thing in any way connected with this Contract, these Terms and Conditions and/or the Orders or the rights, duties or liabilities of any party under or in connection with this Contract, these Terms and Conditions and/or the Orders, shall at first instance be resolved by the Parties through friendly consultation, amicable negotiation or other agreed upon means. A written Notice of Dispute shall be issued by the Party raising such dispute(s) and serve the Notice of Dispute on the other Party within three (3) working days.

In the event that no settlement can be reached through amicable negotiations within thirty (30) days from the issuance of such written notice, such dispute(s) shall be settled by arbitration in accordance with the Asian International Arbitration Centre (AIAC) Arbitration Rules for the time being of the AIAC. A party intending to refer a dispute to arbitration shall serve upon the other party a written Notice to Arbitrate. Provided always that at the sole discretion of Eaton, any dispute referred to arbitration arising out of or in connection with this Contract, these Terms and Conditions and/or the Orders may instead be disposed of by the Malaysian Courts upon Eaton invoking the right to do so within fourteen (14) days of receiving a Notice to Arbitrate. In such event, no reference to arbitration shall proceed further. Parties shall submit to exclusive jurisdiction of Malaysian Courts upon Eaton having invoked the said jurisdiction in the manner provided for herein.

The law of the arbitration shall be the Arbitration Act 2005 (and any amendments or successors thereto). The seat of arbitration shall be Kuala Lumpur, Malaysia. The language of the arbitration proceedings and arbitral award shall be English. A single arbitrator is to be agreed between the Parties or failing such agreement to be appointed by the Director of the AIAC in accordance with the AIAC Arbitration Rules.