



**LOCAL COUNTRY AMENDMENT– MALAYSIA**  
TO BE READ IN CONJUNCTION WITH [GLOBAL TERMS AND CONDITIONS OF PURCHASE](#)

This Local Country Amendment is to be read with the Johnson Controls' Global Terms and Conditions of Purchase (“**Global Terms**”). Where the terms of the Local Country Amendment are not consistent with the Global Terms, the terms set out in this Local Country Amendment shall prevail and have priority above the Global Terms. References below expressed in numerals correlate to the Global Terms.

**1. [Clause 4](#) to be amended as follows:**

Invoicing and Pricing; Premium Freight. Except as expressly stated in the Order under the heading “Freight,” the price of Supplies includes storage, handling, packaging and all other expenses and charges of Seller. Incoterms 2010 will apply to all shipments except those entirely within Malaysia. Except as otherwise stated in the Order, Supplies will be shipped FCA (loaded) at Seller's final production location, using Buyer's transportation. All invoices for the Supplies must reference the Order number, amendment or release number, Buyer's part number, Seller's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and other information required by Buyer. Buyer will pay proper invoices complying with all of the terms of the Order. The total price also includes all duties and taxes except for any governmentally imposed Sales and Service Tax (SST) and any other imposed value added tax, including any tax levied in substitution for SST, which must be shown separately on Seller's invoice for each shipment. Buyer is not responsible for any business activity taxes, payroll taxes or taxes on Seller's income or assets. Seller shall pay all premium freight costs over normal freight costs if Seller needs to use an expedited shipping method to meet agreed delivery dates due to its own acts or omissions. Seller shall pay any costs incurred by Buyer, including costs charged by Buyer's customer(s) to Buyer, as a result of Seller's failure to comply with shipping or delivery requirements. All invoices must be a valid "tax invoice" for SST purposes

**2. [Clause 5.2](#) to be amended as follows:**

Disclosure: Special Warnings or Instructions. Seller shall promptly provide Buyer with the following information, with respect to such Supplies, in a form that would satisfy the requirements of the Sustainability Directives, as defined below, or as otherwise requested by Buyer: (i) a list of all elements, minerals, compounds, and other ingredients that comprise the Supplies (“Required Minerals”) and are the subject of, or addressed by, the Sustainability Directives, defined below, or as otherwise requested by Buyer; (ii) the manufacturing location of Supplies; (iii) the amount and, as applicable, the percentage of each Required Mineral in Supplies, and (iv) in addition and pursuant to Section 9, information concerning any changes in or additions to Required Minerals in these Supplies. Seller shall provide the aforementioned information to Buyer as expeditiously as possible prior to the shipment of these Supplies by Seller, but in any event, in sufficient time to afford Buyer reasonable time to a) determine Buyer's disclosure requirements and b) reject any Supplies, cancel any Order, or pursue all other remedies, including, but not limited to, legal and equitable remedies, in the event Seller either fails to meet applicable Sustainability Directives or Buyer's disclosure requirements as provided in Sections 5.2 and 5.3. Additionally, before and at the time Supplies are shipped, Seller shall promptly give Buyer sufficient warning in writing (including all required labels on all Supplies, containers, and packing, including without limitation disposal and recycling instructions, material safety data sheets and certificates of analysis) of any hazardous or restricted material that is an ingredient or part of the Supplies. Seller agrees to comply with 1) all of Buyer's published policies on sustainability as they exist from time to time as well as 2) all current, and subsequently enacted, national, state, provincial, and local laws and regulations applicable to Buyer, Buyer's customers, Seller, or any combination of (1) and

(2), pertaining to content of Supplies and warning labels (“Sustainability Directives”), including without limitation the Poisons Act 1952, the Pesticides Act 1974, Dodd-Frank Act regarding conflict minerals, the Occupational Safety and Health (Use and standards of exposure of chemical hazardous to health) regulations 2000, Occupational Safety and Health (Prohibition of use of substance) Order 1999, Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013, the Environment Quality Act 1974 and the relevant regulations thereto. Seller shall reimburse Buyer for any expenses incurred as a result of improper or incomplete disclosure, packing, marking, routing, or shipping of Supplies.

**3. [Clause 5.9](#) to be amended as follows:**

In the event Seller fails to fully and timely comply with Sections 5.1, 5.2, or both, in addition to all other remedies available to Buyer under these Terms, or otherwise, Buyer may, in its sole and absolute discretion, with respect to any Supplies, revoke the acceptance, reject, abandon, return or hold such Supplies at Seller’s expense and risk (“Refused Product”) and Buyer may cancel in whole or in part, i) any Order, ii) award letter, iii) any other agreement, iv) any other obligation Buyer may have to purchase any or all Supplies from Seller, or v) any combination of (i), (ii), (iii), and (iv) (collectively “Canceled Products”). Additionally, Buyer has the right to source replacements for any Refused Products, Canceled Products, or any combination thereof and Seller shall reimburse Buyer for any difference in cost of such replacements plus all associated expenses, including charges for expediting and quality validation, and losses arising out of or related to adverse effects on Buyer’s business as a result of the need to pursue such alternative sourcing.

**4. [Clause 6](#) to be amended as follows:**

Customs; Related Matters. Credits or benefits resulting from the Order, including trade credits, export credits or the refund of duties, taxes, or fees, belong to Buyer. Seller shall promptly provide all information and certificates (including Certificates of Origin or equivalent documents) necessary to permit Buyer (or Buyer’s customers) to receive these benefits or credits. Seller agrees to fulfill any customs obligations, origin marking or labeling requirements, and local content origin requirements. Export licenses or authorizations necessary for the export of Supplies are Seller’s responsibility unless otherwise stated in the Order, in which case Seller shall promptly provide the information necessary to enable Buyer to obtain the licenses or authorizations. Seller shall promptly notify Buyer in writing of any material or components used by Seller in filling the Order that Seller purchases in a country other than the country in which the Supplies are delivered. Seller shall promptly furnish any documentation and information necessary to establish the country of origin or to comply with the applicable country’s rules of origin requirements. Seller shall promptly advise Buyer of any material or components imported into the country of origin and any duty included in the Supplies’ purchase price. If Supplies are manufactured in a country other than the country in which Supplies are delivered, Seller shall mark Supplies “Made in [country of origin].” Seller shall promptly provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Supplies into the country in which Supplies are delivered. Seller warrants that any information that is supplied to Buyer about the import or export of Supplies is true and that all sales covered by the Order will be made at not less than fair value under the antidumping laws of the countries to which the Supplies are exported.

5. **Clause 6.1** to be amended as follows:

Importer Security Filing. Supplier/Seller acknowledges its obligation with respect to any goods intended for shipment to Malaysia to provide all required information in support of Johnson Controls' obligation under Malaysian law to timely submit information which shall include but not be limited to: (1) Supplier/Seller name and address; (2) Manufacturer or other Supplier name and address (if different from Supplier/Seller); (3) Country of origin; and (4) Commodity HTSUS number (if provided by Johnson Controls for inclusion by Seller/Supplier in its sales/shipping documentation). Supplier/Seller agrees to work with the designated local freight forwarder to provide the requested data and coordinate the export of goods by the required timeframes. Any fines, penalties, liquidated damages, losses and damages or other costs resulting from a delay in the release of merchandise or inability to load merchandise for export shipment to Malaysia resulting from Supplier/Seller's failure to provide this requested information shall be at the sole expense of Supplier/Seller and Supplier/Seller hereby agrees to reimburse Johnson Controls for any amounts it may incur as a result of said failure.

6. **Clause 8.** to be amended as follows:

Payment. Unless different payment terms are stated in the Order or required by law, payment on proper invoices will be processed 90 days from the invoice posting date on the next scheduled payment run. Payment runs occur twice a month, around the 9th and 24th of each month. Invoices for tooling and/or capital equipment must be issued only as approved, as provided in the Order. Buyer may withhold payment pending receipt of evidence, in the form and detail requested by Buyer, of the absence of any liens, encumbrances, or claims on Supplies provided under the Order. Payment will be made in the currency expressly stated in the Order; if no such currency is noted, payment will be made in Malaysian Ringgit. Payment will be made by mailing on or before the due date unless otherwise expressly agreed by Buyer. Seller/Supplier shall issue to the Buyer a tax invoice reflecting the Supplies made in accordance with the Order as well as in accordance with the requirements under the laws of Malaysia. For the avoidance of doubt, all amounts stated on the invoices shall, where applicable, be inclusive of goods and services tax or other goods and/or service taxes (if applicable) which refers to taxes imposed on taxable goods and services supplied in Malaysia. The Supplier/Seller agrees to do all things including providing documentation or details as may be necessary to enable or assist the Buyer to claim or verify any input tax credit, set off, rebate or refund in relation to any goods and services tax or other goods and/or service taxes (if applicable) payable arising from the Supplies, if any.

In the event taxes are required to be withheld by any government on payments by Buyer to Supplier/Seller hereunder, Buyer may deduct such taxes from the amount owed and pay Supplier/Seller an amount less such withholding. Buyer shall pay such taxes to the appropriate taxing authority; provided however, that Buyer shall promptly deliver to Supplier/Seller, an official receipt or other appropriate documentation to verify payment of such taxes to the appropriate taxing authority and/or to facilitate any corresponding foreign tax credit claim by Supplier/Seller.

7. **Clause 11.** to be amended as follows:

Supplier Quality and Development; Required Programs. Seller shall conform to the quality control standards and inspection system, as well as related standards and systems (including without limitation, quality control policies, QS 9000 and ISO 9000), that are established or directed by Buyer. Seller will also participate in supplier quality and development programs of Buyer as



directed by Buyer. As requested by Buyer at any time, unless otherwise specified in an applicable Country Supplement, Seller will participate in and comply with the following Buyer programs and standards: (a) all Supplier Standards Manuals as provided by Buyer (including all subsections and forms), (b) supplier performance evaluations. In the event of any discrepancy between any part of the above programs or standards and an express provision of these Terms, these Terms will control.

**8. [Clause 13](#) to be deleted.**

**9. Additional [Clause 16.3](#):**

Buyer has established Privacy Policy as described and accessible on the Johnson Controls, Inc. website at <http://www.johnsoncontrols.com/privacy>. Buyer expects Seller, and Seller's employees and contractors, to abide by the Privacy Policy or an equivalent ethics policy of its own.

**10. [Clause 19.4](#) to be amended as follows:**

Additional Insured's - Buyer, the Owner and any other entities as may be reasonably requested shall be named as additional insured's under the Commercial General Liability and Public Indemnity Insurance with respect to work performed under the Order.

**11. [Clause 19.6](#) to be amended as follows:**

Coverage Limits - The following minimum insurance coverage and limits are required. Where insurance coverage and/or limits are mandated by local law or statute, local requirements apply subject to the minimum limits stated below. The procurement and maintenance of the below insurance coverage shall not limit or affect any liability which Seller/Contractor may have by virtue of this contract. All insurance policies related to the minimum coverage and limits should be issued on an occurrence form (with the exception of Professional Indemnity Insurance to which a claims made policy is acceptable as long as the retroactive date precedes the date of this contract). All limits are stated in U.S. Dollars and apply to Sections A and B.

Type of Insurance	Minimum Limits
Comprehensive General Liability * , insurance for bodily injury and property damage arising from premises, operations, personal injury, products/ completed operations, and contractual liability covering the indemnity provision as set forth in the indemnification section.	USD \$1,000,000 (or equivalent amount in other currency) per occurrence and general aggregate, product and completed operation aggregate, personal & advertising injury.
* Alternatively, Public Liability and Products Liability is acceptable. <ul style="list-style-type: none"> <li>• Care, Custody &amp; Control coverage</li> <li>• Working Away From the Premises</li> <li>• Complete Operation Clause</li> </ul> All three clauses above shall be included in the policy,	USD \$1,000,000 (or equivalent amount in other currency) per occurrence and general aggregate.

Contractual Liability exclusion to be deleted.	
Motor Insurance covering all autos with license for public road using in connection with the work performed (only if contractor provides logistics services).	Statutory Limits.
Workmen's Compensation (not applicable, if contractor does not participate on-site work).	Statutory Limits.
Professional Indemnity Insurance (only applicable if contractor provide professional services, e.g. design, construction management).	USD \$1,000,000 (or equivalent amount in other currency) each claim.
Cyber Liability (Required if Seller's products or services access data or networks of Buyer or Buyer's customers)	USD\$2,000,000 annual aggregate
Blanket Fidelity Bond (Crime Insurance)	Where and as applicable

*\*Comprehensive General Liability limits may be met with a combination of General Liability and Umbrella/Excess Liability policy limits.*

**12. [Clause 20](#) to be amended as follows:**

Sustainability. Buyer and Seller hereby recognize the value in supporting initiatives which strive to achieve excellence in environmental and social performance. While this Agreement defines the parameters in which the parties will conduct business and seek mutually advantageous financial advantage, the parties agree that there is a recognition, belief in, and practice of the principles of sustainable business woven into the fabric of how they will conduct themselves. Elements which the parties will consider include:

- (1) Supporting the Global Reporting Initiative (GRI – <http://www.globalreporting.org/>), including development of a Sustainability Report in alignment with GRI reporting guidelines.
- (2) Taking voluntary initiatives to reduce environmental impacts. These include efforts to improve energy efficiency, control greenhouse gas emissions, recycle materials, curtail or phase out use of toxic substances, minimize waste, conduct life-cycle assessments of products, and promote “greening of the supply chain.”
- (3) Supporting safe, healthful workplaces and communities, hiring and promoting employees without discrimination, paying competitive wages and benefits, and being responsible citizens in communities where the parties operate.
- (4) Participating in the Carbon Disclosure Project (<https://www.cdproject.net>) reporting requirements as requested by Buyer.
- (5) The Buyer's current Sustainability Report can be found online at [www.johnsoncontrols.com](http://www.johnsoncontrols.com).

**13. Clause 22 to be replaced with the following:**

Any delay or failure of either Party to perform its obligations will be excused if and to the extent that it is caused by an event or occurrence beyond the reasonable control of the Party and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority; embargoes; fires; explosions; natural disasters; riots; civil unrest; wars; sabotage; inability to obtain power; or court injunction or order; **epidemic or pandemic** (a "Force Majeure Event"). The change in cost or availability of materials or components based on market conditions or Seller's actions will not constitute a Force Majeure Event. As soon as possible (but no more than one full business day) after the Force Majeure Event occurred, Seller will provide written notice describing such delay and assuring Buyer of the anticipated duration of the delay and the time that the delay will be cured. During the delay or failure to perform by Seller, Buyer may at its option: (a) purchase Products from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (b) require Seller to deliver to Buyer at Buyer's expense all finished goods, work in process and parts and materials produced or acquired for work under the Order; or (c) have Seller provide Products from other sources in quantities and at a time requested by Buyer and at the price set forth in the Order. **During the aforesaid delay or failure to perform by Seller, Seller shall in no event claim any additional costs incurred by Seller arising from prolongation (if any), including but not limited to storage, warehousing and logistics.** In addition, Seller at its expense will take all necessary actions to ensure the supply of Products to Buyer for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of Seller's labor contracts.

**14. Clause 35 to be amended as follows:**

Governing Law; Arbitration; Jurisdiction.

Foreign Supplier/Seller

The Order shall be governed by the laws of Malaysia. **A person who is not party to this Agreement shall not have any right to enforce any of the provisions herein.** Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Asian International Arbitration Centre ("AIAC") in accordance with the Arbitration Rules of AIAC ("AIAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Kuala Lumpur. The Tribunal shall consist of one (1) arbitrator(s). The language of the arbitration shall be English.

Domestic Supplier/Seller

**A person who is not party to this Agreement shall not have any right to enforce any of the provisions herein.** The Order shall be governed by the laws of Malaysia and both parties agree to submit to the exclusive jurisdiction of the courts of Malaysia.