

VOLUNTARY AGREEMENT TO PROMOTE ENERGY EFFICIENT APPLIANCES

This Voluntary Agreement is made on the 11th day of September 2009

BETWEEN

1. THE NATIONAL ENVIRONMENT AGENCY (“NEA”), a body corporate established under the National Environment Agency Act (Cap 195) and having its office at 40 Scotts Road #13-00, Environment Building Singapore 228231;
2. HOUSING DEVELOPMENT BOARD (“HDB”), a body corporate established under the Housing & Development Act (Cap 129) and having its office at HDB Hub, 480 Lorong 6 Toa Payoh, Singapore 310480;
3. ENERGY MARKET AUTHORITY (“EMA”), a body corporate established under the Energy Market Authority of Singapore Act (Cap 92B) and having its office at 991G Alexandra Road, #01-29, #02-29, Singapore 119975 ; and
4. The parties whose Company Names, Unique Entity Numbers, addresses and the brands of air-conditioners, refrigerators and/or clothes dryers they carry are set out in Annex A (Collectively referred to as the “Signatories” and singularly as “Signatory”)

(Collectively referred to as the “Parties” and singularly as “Party”)

Whereas the Parties agree to promote the activities of mutual interest in accordance with their respective objectives and shall, by joint agreement, determine the areas and subject of such co-operation, on the basis of the following understanding. This Voluntary Agreement (“Agreement”) sets out the Background, Objectives and terms of the Parties’ collaboration.

WHEREAS

A. Many households consume electricity unnecessarily because they use energy inefficient appliances. Refrigerators and air-

conditioners account for almost half of a typical household's electricity consumption. The clothes dryer is another energy intensive household appliance that is becoming more common in households.

B. NEA, HDB and EMA (collectively referred to as "Agencies") seek to encourage households to purchase more energy efficient appliances so that they can enjoy the energy saving benefits.

C. The Parties recognize the need for market-oriented initiatives to increase the market share of energy efficient appliances so that households can reap energy cost savings and contribute to the national energy efficiency goals.

D. Appliances referred to in this Agreement are refrigerators, air-conditioners and clothes dryers. Energy efficient appliances ("EE Appliances") referred to in this Agreement are Appliances that are labelled with at least 3 Ticks under the Second Schedule of the Environmental Protection and Management (Energy Conservation) Regulations.

IT IS AGREED AS FOLLOWS:

1. Objectives

1.1 The overall objective of this Agreement is to increase the market share of EE Appliances sold to households through market-oriented initiatives.

1.2 The specific objectives of the Agreement are to:

- a. Improve the availability and affordability of EE Appliances in the market;
- b. Drive consumer demand for EE Appliances through provision of relevant information, targeted marketing and promotional initiatives; and
- c. Promote energy conservation and create awareness on the use of EE Appliances.

2. Common Obligations and Rights

2.1 All Parties shall undertake their best endeavours towards achieving the specific objectives of this Agreement.

2.2 All Parties shall undertake to be committed to market EE Appliances.

2.3 All Parties may announce their participation in the Agreement publicly, by displaying the Agreement logo provided by the Agencies, subject to the terms of this Agreement so as to demonstrate their working towards the specific objectives of this Agreement as part of the national effort to promote energy efficiency in the household sector.

3. Agencies' Obligations

3.1 The Agencies shall create awareness on the importance of buying and using EE Appliances by:

- a. Organising an "Energy Challenge Fair" to showcase EE Appliances with a standard booth offered to each Signatory at no cost.
- b. Organising a series of "Energy SAVE" Road Shows and Exhibitions on energy efficiency at HDB estates with a standard booth offered to each Signatory at no cost.
- c. The Agencies shall have the sole and unfettered discretion to decide whether to organise or cancel any previously scheduled "Energy Challenge Fair", "Energy SAVE" Road Shows and Exhibitions (Collectively referred to as the "Events" and each singularly as "Event"), decide on the location, theme and schedule for any Events, size and location of the booths offered to the Signatories at the Events and any costs and expenses to be paid by the Signatories, if any, provided the Signatories can choose not to participate in any Event if payment is required from them. Under no circumstances can any claim be made against the Agencies as a result of the discretion exercised under this Clause; and

- d. Arranging for Demo-households to showcase the real savings achievable from the use of EE products by replacing households' existing non-EE appliances with EE appliances (especially for air-conditioner, refrigerator and lighting). Residents' will also be taught to adopt energy saving habits.

3.2 The Agencies shall support the marketing and publicity efforts of the Signatories by:

- a. Listing the Signatories to this Agreement on a dedicated webpage on the E² Singapore website, including links to the Signatories' website, information on EE Appliances and/or offers by Signatories for EE Appliances, if any;
- b. Allowing the Agreement logo to be used in marketing EE Appliances provided Signatories obtain NEA's prior approval to do so and comply with NEA's conditions of use;
- c. Providing training and collaterals to assist Signatories, including the Signatories' frontline sales staff, in promoting EE Appliances to consumers; and
- d. Pitching stories related to the Voluntary Agreement and its signatories to the media whenever there is an opportunity to do so.

4. The Signatories' Obligations

4.1 The Signatories undertake to be committed to market, sell and improve the sales of the EE Appliances by:

- a. Achieving the following proportion of models for all Appliances supplied or displayed for sale as shown in the table below; and

Proportion of Appliances supplied or displayed for sale in retail outlets

No. of Ticks as provided in the Second Schedule of the Environmental Protection and Management (Energy Conservation) Regulations	6 months after the date of this Agreement	1 year after the date of this Agreement
NIL	0%	0%
1	Appliances with 1 and 2 Tick to constitute a maximum of 50% of all Appliances, out of which the no. of models of 1 Tick shall not exceed the no. of models of 2 Ticks	Appliances with 1 and 2 Ticks to constitute a maximum of 40% of all Appliances, out of which the no. of models of 1 Tick shall not exceed the no. of models of 2 Ticks
2		
3 and 4	At least 50% of all Appliances	At least 60% of all Appliances

- b. Participating actively in the Events as mentioned above. The Signatories shall offer attractive discounts or packages for sale of EE Appliances during such Events;
- c. Organizing promotions (e.g special offers, free delivery) for the sale of EE Appliances in their retail outlets either solely or jointly in cooperation or collaboration among Signatories and/or Agencies. During such promotions, the Signatories are encouraged to display the Agreement logo;
- d. Monitoring and tracking relevant information and data on the progress in implementation of the Agreement and achieving its objectives, in the template provided in Annex B. Annex B shall be submitted to NEA every quarter or as and when requested.

4.2 The Signatories shall further undertake to be committed to creating awareness on the importance of buying and using EE Appliances by:

- a. Prominently displaying in the marketing materials such as advertisements, brochures, catalogues, websites, sales location and other media where

product data is given, the Agreement logo provided NEA's prior consent is obtained and the Signatories do comply in full NEA's conditions of use;

- b. Providing customers with properly verified information concerning the energy efficiency and cost savings of products. Information on energy efficiency from the Signatories or the Agencies shall always be prominently featured on or near the EE Appliances at each sales location;
- c. Having competent sales staff who are conversant with the information and motivated to encourage the purchase of EE Appliances stationed at their retail outlets; and
- d. Creating awareness among demo-households on energy efficiency and if necessary, sponsor the replacement of their Appliances with EE Appliances when approached by the Agencies.

5. Collaboration and Organisation

5.1 NEA shall:

- a. Monitor and track the progress of Signatories in achieving the proportion of model in Clause 4.1a through the submission of Annex B and also through the database of Registered Goods.
- b. Co-ordinate Agreement-related communication and promotional activities; and
- c. Assess the need for new activities, new initiatives (e.g. rebates, retailer and stocking incentives) and demonstration projects to support the Agreement.

6. Duration of Agreement

- 6.1 The agreement will take effect from 11 September 2009 and will be valid for 1 year with an option for renewal of 1 year, subject to the agreement of the Parties.

7. No Partnership or Agency Created

7.1 Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Parties hereto or constitute or be deemed to constitute any Party or Parties to be the agents of the other Party or Parties for any purpose whatsoever and none of the Parties shall have any authority to bind any Party or Parties or to contract in the name of and create a liability against any Party or Parties in any way or for any purpose.

8. Non- Binding Nature of this Agreement

8.1 Subject to Clause 8.2 below, despite the statements and obligations expressed herein, this Agreement is a non-binding expression of the current intentions of the Parties and none of the Parties shall incur nor be bound to any legal obligations or expense hereunder to one another until and unless definitive agreements have been negotiated, approved by the appropriate management levels of each Party and executed and delivered by the authorized representatives of each Party.

8.2 Notwithstanding any contrary provisions in this Agreement, it is hereby agreed and acknowledged that under no circumstances can the Signatories take any action against the Agencies for any performance or non-performance of the terms of this Agreement. However, should the Signatories use the Agreement logo without the consent of NEA, misuse the Agreement logo whether in contravention of the NEA's conditions of use, contrary to the terms of this Agreement, the Signatories agree that NEA can take action against the Signatories accordingly.

In witness whereof the Parties hereto have signed this Agreement the day and year above mentioned.