

Sanwei Technical Ltd.

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Sanwei General Terms and Conditions of Purchase

1. Definitions and Interpretation

The definitions and rules of interpretation in clause 31 shall apply to these terms and conditions (the "**Conditions**").

2. Existence and Scope of Purchase Orders

- 2.1 Sanwei will have no liability in connection with any Purchase Orders except such as are made on a Sanwei Purchase Order form in accordance with these Conditions, which represent the only terms and conditions upon which Sanwei is prepared to procure the Goods and/or the Services from the Supplier. No amendment or variation of these Conditions shall be effective unless agreed by Sanwei in writing.
 - 2.2 The Purchase Order constitutes an offer by Sanwei to purchase the Goods and/or Services in accordance with these Conditions.
 - 2.3 The Supplier shall notify Sanwei within 48 hours of issue of the Purchase Order if it is not able to fulfil the Purchase Order. The Purchase Order and these Conditions shall be deemed to have been unconditionally accepted, and the Contract will become legally binding, on the earlier of the time that:
 - 2.3.1 is 48 hours after issue of the Purchase Order by Sanwei (provided that no written rejection of the Purchase Order has been received from the Supplier within such 48 hour period); and
 - 2.3.2 the Supplier commences work or issues a written acknowledgement (whether referring to conditions inconsistent with these Conditions unless clearly stated on its face to be a counter-offer) in connection with the Purchase Order.
 - 2.4 Except as specifically agreed by Sanwei in writing, the Contract shall exclude all terms and conditions that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- ### 3. Price and Payment
- 3.1 The price payable for the Goods shall be as stated on the Purchase Order and shall be firm and fixed except to the extent expressly stated otherwise in these Conditions. The price payable for the Goods shall be inclusive of all charges, including packaging, carriage, insurance, delivery and exclusive of value added tax ("VAT") at the appropriate rate. No extra charges shall be effective unless agreed in writing by Sanwei in advance.
 - 3.2 The Supplier shall send invoices to Sanwei at the address indicated on the face of the Purchase Order following Delivery of the Goods (or as otherwise specified on the Purchase Order) and shall clearly show on its invoices Sanwei's Purchase Order number. The Supplier shall, in a timely manner, provide statements of account for reconciliation purposes when reasonably requested by Sanwei.
 - 3.3 Sanwei shall pay correctly rendered invoices sixty (60) days after the end of the month in which the invoice is received by Sanwei. Sanwei shall not be obliged to pay any proportion of any invoice which is genuinely disputed by Sanwei, pending resolution of such

dispute in accordance with these Conditions.

- 3.4 The Supplier shall provide Sanwei, upon request at any time, with a full breakdown of its costs of supplying the Goods, including the cost of materials, labour, profit, etc. (QAF).
 - 3.5 Sanwei expects the Supplier to achieve improved efficiency in its processes with consequent cost reductions while maintaining the required quality and competitive pricing in the market. The Supplier shall:
 - 3.5.1 allow Sanwei to review the Supplier's processes for efficiency savings regularly during the Term;
 - 3.5.2 work with Sanwei openly and in good faith to identify and implement cost down opportunities; and
 - 3.5.3 implement any price reductions agreed between the parties.
- ### 4. Mass Production and Ordering Process
- 4.1 Sanwei shall issue to the Supplier a Purchase Order for the relevant Goods under these Conditions. The Supplier shall be bound by the terms of the Purchase Order once accepted by the Supplier in accordance with these Conditions.
 - 4.2 If there is an increase in the production quantity or a change in the delivery date on the same order form, a "Shipment Detail List" can be separately issued to the Supplier for confirmation.
 - 4.3 The Supplier shall accept any Purchase Order or Delivery Schedule placed by Sanwei in accordance with the clause set out in 2.3.
 - 4.4 Except as provided in this clause 4, Sanwei shall not be entitled to amend the terms of any Delivery Schedule without the consent of the Supplier, such consent not to be unreasonably withheld or delayed.
 - 4.5 Sanwei shall have the right to alter the Goods via a Variation, and the Purchase Order shall be re-issued by Sanwei under this clause 4 as and when changes to the same are necessary.
 - 4.6 Sanwei shall have no obligation to purchase any Goods from the Supplier pursuant to the Purchase Order except as expressly set out in this clause 4. Sanwei shall have the right during the Term to acquire any products or services from any third party.
 - 4.7 The Request for Quotation, or other documents provided by Sanwei from time to time, may include a forecast of Sanwei's potential future requirements for Goods. Unless expressly stated otherwise on the face of the forecast, forecasts are for information and planning purposes only and shall not be binding on Sanwei. The Supplier shall however ensure that it can provide the quantity of Goods as required pursuant to any such forecast in the Request for quotation.
- ### 5. Goods Warranties
- 5.1 The Supplier warrants that all Goods supplied or to be supplied under a Purchase Order shall:

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- 5.1.1 be new, of good material and workmanship, and free from defects in materials and workmanship;
- 5.1.2 to the extent that the Supplier has had input into the design, development or specification of the same, be of satisfactory quality and fit for any purpose set out in the Specification or as otherwise held out by the Supplier or made known by Sanwei expressly or by implication;
- 5.1.3 conform in all respects as to quantity, quality, cleanliness and description with the Specification, and any other particulars, drawings, process requirements, samples or other descriptions furnished by Sanwei;
- 5.1.4 be supplied with full title guarantee; and
- 5.1.5 comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and Delivery of the Goods.
- 5.2 Without prejudice to the generality of the foregoing warranties, the Supplier warrants that, in relation to any Goods supplied to Sanwei that constitute products which use dates and times in relation to their operations and performance (whether computerised or not), their performance will be unimpaired by any date.
- 5.3 The warranties set out in this clause 5 shall be given by the Supplier from Delivery for a period of:
- 5.3.1 for production goods, three (3) years from receipt, and
- 5.3.2 for Goods supplied as spare parts, three (3) years from installation of the Goods.
- 6. Quality Management, Certification and Record Retention**
- 6.1 The Supplier shall always operate a quality management system supervised by a quality department that shall be furnished with appropriate testing and measuring equipment, to comply with its obligations under the Sanwei Supplier Quality Manual, all of which shall be auditable and approved by Sanwei.
- 6.2 Upon reasonable request, the Supplier shall submit to Sanwei a quality management report on the performance of its quality management system.
- 6.3 The Supplier is expected to have achieved quality assurance certification to ISO 9000 and ISO 14000, or to be actively working towards such certifications. For machinery and items where product certification applies, the Supplier shall apply the CE mark and retain all appropriate technical files.
- 6.4 Sanwei and its authorised representatives shall have the right to audit the Supplier's premises relevant to the supply of the Goods, quality management systems, compliance with the Supplier's obligations under the Purchase Order, and to conduct audits and/or inspections at all reasonable times and on reasonable notice. The Supplier shall comply with any reasonable audit or inspection recommendations.
- 6.5 For a period of fifteen (15) years from the end of Mass Production, the Supplier shall keep full and accurate records relating to the supply of Goods to Sanwei and Sanwei shall have the right to audit and inspect all such records in accordance with clause 6.4.
- 7. Spare Parts**
- 7.1 For the period of fifteen (15) years from the end of Mass production, the Supplier undertakes to ensure the supply of replacement Goods to enable Sanwei to meet its post sale service obligations to its Client in accordance with this clause 7.
- 7.2 The Supplier shall supply post-Mass Production Goods at a reasonable and evidenced price (QAF).
- 7.3 The Supplier shall maintain an adequate stock of replacement goods, or the ability to manufacture Goods to enable it to satisfy its obligations pursuant to clause 7.1, and shall notify Sanwei immediately of any actual or anticipated inability to do so. All spares shall be new and provided in accordance with these Conditions (including clause 5.1).
- 7.4 On commencement of the fifteenth (15th) year referred to in clause 7.1, if required by Sanwei, Sanwei and the Supplier will negotiate in good faith regarding the Supplier's continued provision of the spares.
- 7.5 The Supplier shall, if requested by Sanwei, provide such reasonable assistance as is required by Sanwei in respect of the creation and delivery of comprehensive parts lists and parts numbering systems.
- 8. Delivery and Logistics**
- 8.1 The Supplier shall Deliver the Goods in accordance with the agreed Delivery instructions. In the absence of any agreed Delivery instructions, Delivery shall take place FCA at place (Incoterms 2020) or as otherwise reasonably instructed by Sanwei.
- 8.2 The Supplier shall ensure that:
- 8.2.1 Delivery shall take place on the specified date, time to be of the essence;
- 8.2.2 the correct quantity of goods are delivered;
- 8.2.3 the goods are packaged, marked, secured and shipped in line with Sanwei Packaging Guideline as to enable them to reach their destination in good condition and without suffering any damage or deterioration in handling or storage, and in a manner consistent with good trade practice and in compliance with all UK and international regulations, laws and agreements relating to the packaging and carriage of goods, including those relating to hazardous goods;
- 8.2.4 each Delivery of the Goods is accompanied by a delivery note which shows the Purchase Order number, the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any), and any other requirements detailed in a Purchase Order and/or the Specification; and
- 8.2.5 each individual component of the Goods, if separately packaged, is marked with the part number, issue number, Purchase Order number, batch identification number and concession number (if applicable).

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- 8.3 If the Supplier requires Sanwei to return any packaging material to the Supplier, the Supplier shall ensure this is clearly stated on the delivery note and is agreed in advance by Sanwei. Any such packaging material shall be returned to the Supplier at the cost of the Supplier, and Sanwei shall have no liability for such packaging material except as agreed between the parties in writing. The Supplier shall use reasonable endeavours to minimise waste material and other packaging.
- 8.4 Neither Delivery nor any failure by Sanwei to reject the Goods at the time of Delivery shall be deemed to be an acceptance of any defects that might exist in the Goods.
- 8.5 The Supplier shall not Deliver the Goods in instalments without Sanwei's prior written consent. Where it is agreed that the Goods are to be Delivered by instalments, they may be invoiced and/or paid for separately.
- 9. Late and Early Delivery**
- 9.1 The Supplier shall immediately advise Sanwei in writing of any difficulty or delay, actual or anticipated, in the performance of a Purchase Order and the Supplier's proposed remedial action. The parties shall discuss and endeavour to agree in good faith a solution and/or mitigation actions for any delayed Delivery. In any event, the Supplier shall make up for the deficiency as soon as possible without affecting any other rights and remedies Sanwei and/or the Supplier may have.
- 9.2 Any Goods Delivered prior to the date for Delivery specified in the Purchase Order may, at Sanwei's option, be rejected and/or returned to the Supplier at the Supplier's expense. Sanwei shall be entitled to charge the Supplier for any storage costs incurred by Sanwei in relation to the Goods Delivered prior to the agreed Delivery date without Sanwei's written agreement.
- 10. Tooling and Industrialisation**
- 10.1 The Supplier shall acquire for its own account such items of capital equipment, plant, tooling, raw materials, tools and sundries ("Required Tooling"), and complete such pre-production, validation and industrialisation activities ("Industrialisation Obligations"), as may be required to enable it to perform its obligations under the Purchase Order or Tooling Agreement.
- 10.2 The Supplier acknowledges and agrees that the Required Tooling and Industrialisation Obligations must be completed in accordance with the timetable notified to the Supplier for the Supplier to fulfil its obligations under the Purchase Order or Tooling Agreement. Should the Supplier fail to do so, subject to the limitations in clause 16, Sanwei shall be entitled to recover from the Supplier any losses, costs and expenses reasonably and directly incurred by Sanwei arising from such failure.
- 10.3 Title to any Required Tooling which has been purchased by the Supplier but which is specific to the manufacture, development or supply of the Goods (including moulds and jigs) and has been financed directly by Sanwei or otherwise noted on any tooling register agreed by the parties, shall belong to Sanwei and/or the Client (as Sanwei may direct).
- 10.4 Full title in the Tooling shall vest unconditionally in Sanwei or the Client (as Sanwei may direct) on payment in full by Sanwei in accordance with the Purchase Order. The Supplier shall take all such acts and execute all such documents as may be required to ensure that full title in the Tooling vests as directed by Sanwei.
- 10.5 From transfer of title in accordance with clause 10.4, all Tooling is in the possession or control of the Supplier as a bailee. The Supplier shall be liable for any loss, damage or destruction to the Tooling whilst the Tooling is in the Supplier's possession, custody or control.
- 10.6 The Supplier shall at its cost:
- 10.6.1 keep an auditable register of all Tooling and shall provide an updated copy of such register to Sanwei on request;
- 10.6.2 keep all Tooling permanently identified as such, including a unique identification number and ownership label;
- 10.6.3 keep all Tooling properly housed and adequately protected from damage or theft, and insure it as required under clause 20;
- 10.6.4 use the Tooling and any other items belonging to Sanwei solely for the supply of Goods to Sanwei;
- 10.6.5 be responsible for the careful handling, maintenance and storage of all Tooling in a manner that prevents loss, damage or deterioration; and
- 10.6.6 repair and replace the Tooling where required, including being responsible for all wear and tear for the defined life of the relevant Tooling.
- 10.7 The Supplier shall not:
- 10.7.1 make, or cause or permit to be made, any alteration, modification or addition to the Tooling without Sanwei's prior written consent; all expenses resulted from the alteration (e.g. , mold fee) shall be at supplier's cost.
- 10.7.2 use the Tooling for any purpose other than an instructed by Sanwei;
- 10.7.3 remove the Tooling from the recorded premises without the express prior written consent of Sanwei;
- 10.7.4 do or allow to be done any act or thing whereby the insurance taken out pursuant to clause 20 may be invalidated; or
- 10.7.5 create any mortgage, charge, security interest or other encumbrance over any Tooling, transfer title in any Tooling to any third party whatsoever, allow a lien to be created, or otherwise dispose of or encumber or part with the possession, custody or control of any Tooling. The Supplier waives any lien which it might otherwise have on any of the Tooling for work done.
- 10.8 The Supplier shall permit authorised representatives of Sanwei to enter any premises on which the Tooling is situated for the purpose of inspecting and testing the Tooling or to obtain possession of the Tooling and/or any other items belonging to Sanwei or the Client. The Supplier hereby waives any objection to Sanwei's repossession

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- and removal of the Tooling or other such items. The Supplier will return the Tooling to Sanwei at any time on request. The Supplier shall not be liable for any failure to supply Goods to Sanwei to the extent that this is caused by Sanwei exercising its rights under this clause.
- 10.9 Where any event occurs which is a risk covered by the insurance taken out pursuant to this clause 10, the Supplier shall immediately notify Sanwei and shall hold all sums received by the Supplier under such insurance on trust for Sanwei and shall pay or apply the same as Sanwei directs.
- 10.10 In the event of any claim that challenges Sanwei's rights in the Tooling or right to possession of the Tooling, brought by any third party, including toolmakers, subcontractors and lending institutions, the Supplier shall use its best endeavours and exercise all legal rights available to it to safeguard and recover the Tooling for Sanwei's benefit in a timely manner.
- 11. General Warranties**
- 11.1 The Supplier warrants that:
- 11.1.1 it shall perform its obligations under the Purchase Order in accordance with the reasonable level of care, skill and diligence exercised by a skilled and competent person experienced and skilled in the manufacture and supply of goods of a similar nature to the Goods, and use appropriate manufacturing techniques, procedures and practices in accordance with good engineering practice;
- 11.1.2 any information given in response to a Request for Quotation is accurate in all material respects;
- 11.1.3 it is and shall be entitled to supply the Goods to Sanwei, and undertakes that it shall not, during the Term, enter into any contract or accept any obligation inconsistent or incompatible with its obligations under the Purchase Order; and
- 11.1.4 it shall cooperate fully and openly with Sanwei in the performance of its obligations under the Purchase Order, including providing all reasonable assistance and support in relation to resolving quality and warranty concerns and claims in good faith and in a manner that minimises the impact, cost and expense to Sanwei.
- 12. Inspection, Testing and Traceability**
- 12.1 All Goods are assumed to have been properly inspected and tested by the Supplier prior to Delivery in accordance with the Supplier Quality Manual, but may be subject to test and inspection by Sanwei at its discretion.
- 12.2 Notwithstanding any such inspection or testing undertaken by Sanwei, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under these Conditions.
- 12.3 The Supplier shall maintain an inspection record and traceability of raw material of all critical features for every component of the Goods as required under the Supplier Quality Manual
- 13. Change Management**
- 13.1 Sanwei may demand in writing during the Term, and the Supplier may request in writing during the Term, Variations to the Purchase Order, including raw materials, production sites, the Specification, processes, methods, tooling and sub-suppliers or other factors that may result in changes and affect product quality which shall be processed and approved under the procedure in the Supplier Quality Manual.
- 13.2 In either of the cases in clause 13.1 the Supplier, acting in good faith, shall if requested by Sanwei submit as soon as reasonably possible a cost estimate as to any additional costs or cost reductions as well as information about the impact on the Purchase Order, in particular as to postponement of deadlines, effects on production, price, assembly and quality of the Goods which are caused by the proposed Variation (the "Impact Estimates"). The Supplier shall use reasonable endeavours to keep all costs and impacts caused by such Variations as low as possible. For the purpose of this clause, "reasonable endeavours" shall mean taking all reasonable actions necessary to obtain the lowest cost and impact for the Variations, excluding all actions which may cause serious detriment to the Supplier's commercial interests.
- 13.3 Until such time as an Impact Estimate is agreed by both the parties, each party shall continue to perform its obligations under the Purchase Order as if the Variation had not been proposed. For the avoidance of doubt, it shall be the sole discretion of Sanwei to accept a Variation proposed by the Supplier.
- 14. Remedies**
- 14.1 **Delay:** Subject to the limitations in clause 16, Sanwei shall be entitled to recover from the Supplier any losses, damages, costs and expenses reasonably and directly incurred by Sanwei arising from the late supply of the Goods, unless the delay is agreed by the parties or otherwise determined to have been caused by Sanwei. Without limiting the above, Sanwei may at its discretion charge the Supplier two per cent (2%) of the value of the Goods so delayed.
- 14.2 **Warranty:** If any of the Goods supplied are in the opinion of Sanwei (acting reasonably), in breach of any of the warranties given under the Purchase Order then, without prejudice to any of its other rights or remedies, Sanwei may initiate, and the Supplier shall comply with openly and in good faith, the quality control and corrective action procedures under the Supplier Quality Manual. In addition, Sanwei shall be entitled at its discretion to exercise some, all, or any of the following rights, whether or not it has accepted the Goods:
- 14.2.1 to reject the Goods (in whole or in part) and return them to The Supplier at the Supplier's own risk and expense;
- 14.2.2 to require the Supplier at its expense to supply immediately conforming Goods in substitution for any rejected Goods, or at Sanwei's option, to carry out repairs or remedial work;
- 14.2.3 at the Supplier's expense, to carry out or have carried out any work or additional procedure which Sanwei considers necessary (acting reasonably) to conform the Goods (and any future Goods);
- 14.2.4 to refuse to accept any subsequent Delivery of Goods which the Supplier attempts to make prior to completing the quality assurance and related remedial steps reasonably required by

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- Sanwei; and
- 14.2.5 subject to the limitations in clause 16, to claim damages for other costs and expenses incurred by Sanwei as a result of the Supplier's breach.
- 14.3 The Supplier acknowledges and agrees that if the Supplier is in Material default of its obligations under the Purchase Order, Sanwei may, in its sole discretion and subject only to notifying the Supplier in writing of its intention to do so, itself or arrange for a third party to provide all or any of the Goods, in accordance with the Supplier's obligations under any Purchase Order, at the sole expense of the Supplier.
- 14.4 Goods rejected by Sanwei shall be collected by the Supplier within fourteen (14) days of notice of rejection and, from the point of rejection until such Goods are collected, they shall be at the Supplier's risk. Sanwei reserves the right to destroy or otherwise dispose of the Goods not collected in this time.
- 14.5 For the avoidance of doubt, these Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.
- 15. Product and Recall Liability**
- 15.1 Subject to the limitations in clause 16, the Supplier shall be liable to Sanwei for all claims, actions, losses, damages, liabilities, costs and expenses (including reasonable legal costs and expenses) which Sanwei suffers or incurs, directly arising from:
- 15.1.1 a claim by a third party (including the Client) in relation to bodily injury or damage to or loss of real or tangible property; or
- 15.1.2 a Recall Event; arising from the Supplier's breach of the provisions of the Purchase Order.
- 15.2 For the purpose of this clause 15.1, "Recall Event" means any recall, recovery of possession or control, withdrawal or disposal of, or any preventative or required replacing of parts at a service interval, field service action, refund, repair, issuance of customer credits or replacement of the Goods (or parts thereof) by Sanwei, the Client or any third party because they:
- 15.2.1 have caused or would cause bodily injury or property damage;
- 15.2.2 are subject to a recall ordered by a competent authority; and/or
- 15.2.3 are part, or may be part, of a batch of Goods which fail to meet the Specification or otherwise fail to perform the function for which they were manufactured, designed for, sold, supplied, installed, repaired, altered or treated.
- 15.3 The Supplier shall cooperate fully and comply with Sanwei's reasonable instructions regarding a Recall Event, and Sanwei and/or the Client shall manage the recall process and shall use all reasonable endeavours to minimise the impact, cost and expense of any Recall Event.
- 15.4 The parties shall promptly inform and keep each other advised (i) as to any claims asserted or legal proceedings issued in respect of Goods; and (ii) if they obtain information reasonably supporting the conclusion that any Goods may fail to comply with any applicable laws and/or regulations or may contain a defect.
- 16. Limitation of Liability**
- 16.1 The Supplier's total liability to Sanwei (whether in contract, tort (including negligence), breach of statutory duty or otherwise) in respect of acts and omissions in breach of its obligations in respect of the supply of the Goods and any other acts and omissions in breach of its obligations under the Purchase Order shall not exceed, in aggregate, five million pounds (£5,000,000) per annum.
- 16.2 For the avoidance of doubt, the Supplier's liability to Sanwei shall be subject to Sanwei taking all reasonable steps to mitigate any loss it incurs and seeks to claim against the Supplier pursuant to the Purchase Order.
- 16.3 Nothing in the Purchase Order (including clause 16.1) shall exclude or in any way limit the Supplier's liability for (i) fraud or deliberate breach of wrongdoing; (ii) death or personal injury caused by its own or its contractors', agents' or employees' negligence (including negligence as defined in s. 1 Unfair Contract Terms Act 1977); (iii) breach of terms regarding title implied by s. 12 Sale of Goods Act 1979 and/or s. 2 Supply of Goods and Services Act 1982; (iv) breach of clause 22 (Confidentiality); or (v) any liability to the extent the same may not be excluded or limited as a matter of law.
- 16.4 For the avoidance of doubt, the "per annum" limitation in clause 16.1 will not be cumulative from year to year, and (for the purpose of calculating the limit only) the Supplier's liability in respect of the act or omission giving rise to the liability shall be deemed to fall within the year that the act or omission was first discovered regardless of when the liability was actually incurred.
- 16.5 The Supplier shall not be entitled to assert any credit, set-off or counterclaim against Sanwei in order to justify withholding payment of any amounts owing to Sanwei under the Purchase Order, in whole or in part.
- 17. Force Majeure**
- 17.1 In case of Force Majeure affecting the fulfilment of all or a material provision of the Purchase Order, the party so affected, upon giving prompt notice to the other party, shall be temporarily excused from the performance of its obligations to the extent that and for so long as non-performance results from the event of Force Majeure. The affected party shall not be committed to the payment of any compensation (other than for payment due for Goods Delivered up to or notwithstanding commencement of the Force Majeure event), but shall use its best efforts to minimise the consequences, to remove the cause of non-performance, to cooperate with the other party in finding alternative ways and means of fulfilling its obligations, and shall provide full performance hereunder without delay whenever such causes are removed.
- 17.2 "Force Majeure" shall mean all unforeseeable and unavoidable events beyond the reasonable control of the party affected, which prevent or delay in total or in part the carrying out of its obligations (e.g. acts of God, a natural disaster (fires, explosions, earthquakes, hurricane, flooding, storms, explosions, infestations), **epidemic, or pandemic**, war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, government order or law, actions, **embargoes or blockades** in effect on or after

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- the date of this Purchase Order, action by any governmental authority, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances) but excluding transportation difficulties or other labor disputes of the Supplier or third parties.
- 17.3 If Supplier believes that its ability to fulfill the requirements of a Purchase Order are being, or will be impaired by Force Majeure, Supplier shall give written notice thereof to Sanwei as soon as possible, but in no event later than three (3) days of Supplier's first knowledge of the event or potential event, along with an estimate of the effect it believes the event will have on its ability to perform. Supplier shall exercise due diligence to eliminate or remedy the effects caused and shall give Sanwei prompt notice when that has been accomplished.
- 17.4 If Sanwei is satisfied that a Force Majeure event has occurred which prevents its full and/or timely delivery of the goods hereunder, and if Supplier establishes that it could not have overcome the effects of the event with commercially reasonable steps, Sanwei may, at its option:
- 17.4.1 Require Supplier to apportion among its customers the goods available for delivery during the Force Majeure period;
- 17.4.2 Cancel any or all delayed or reduced deliveries; or
- 17.4.3 Cancel any outstanding deliveries hereunder and terminate the Purchase Order. If Sanwei accepts reduced deliveries or cancels the same, Sanwei may procure substitute goods from other sources, in which event this Purchase Order shall be deemed modified to eliminate Sanwei's obligation to purchase Supplier's goods which were not delivered. After cessation of the Force Majeure event, Sanwei may, but is not obligated to, require Supplier to deliver goods not delivered during the Force Majeure period.
- 17.4.4 If requested by the Buyer, the Supplier shall, within five (5) days provide adequate assurances that the delay shall not exceed thirty (30) days; and
- 17.4.5 If the delay lasts more than thirty (30) days or the Supplier does not provide adequate assurances that the delay shall not exceed thirty (30) days the Buyer may immediately terminate the Contract without liability.
- 18. Title and Risk**
- 18.1 Risk in respect of the Goods shall pass to Sanwei once the Goods have been Delivered to and accepted by Sanwei dependent on the agreed incoterms.
- 18.2 Title to the Goods shall pass to Sanwei with full title guarantee upon payment in full for the relevant Goods being made by Sanwei.
- 19. Intellectual Property Rights**
- 19.1 All intellectual property rights of any kind and rights of a like nature, whether registered or unregistered, and including patents, copyright, registered designs, design rights and topographic rights ("Intellectual Property Rights") produced, created or acquired under a Purchase Order will subject to clauses in Sanwei Non Disclosure Agreement.
- 19.2 The Supplier may not utilise any Intellectual Property Rights created in accordance with clause 19.1 except for the benefit of Sanwei or the Client under the Purchase Order.
- 19.3 Any pre-existing Intellectual Property Rights owned or controlled by the parties shall remain the sole property of the party who owned such pre-existing Intellectual Property Rights, provided that to the extent utilised by Supplier for the performance of a Purchase Order, such Intellectual Property Rights shall be freely available for use by Sanwei and the Client, and the Supplier hereby grants Sanwei, the Client and the end customer a royalty-free, irrevocable, worldwide, non-exclusive right to use such Intellectual Property Rights without restriction.
- 19.4 The Supplier warrants that, to the best of its knowledge, the Intellectual Property Rights created under clause 19.1 and licensed under clause 19.3 shall not infringe the Intellectual Property Rights of any third party. The parties shall notify each other of any alleged infringement of any Intellectual Property Rights and provide each other with any assistance reasonably requested of it in order to resist any allegation of infringement.
- 20. Insurance**
- 20.1 Without prejudice to the Supplier's liability to Sanwei, during the Term the Supplier shall maintain in force, with a reputable insurance company:
- 20.1.1 professional indemnity insurance
- 20.1.2 product liability insurance;
- 20.1.3 public liability insurance; and
- 20.1.4 insurance against loss or damage to the Tooling even if it occurs despite Supplier's exercise of due care;
- In each case to cover such heads of liability as may arise under or in connection with the Purchase Order.
- 20.2 Upon reasonable notice, the Supplier shall produce to Sanwei, both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.
- 21. Publicity and Promotions**
- 21.1 No details of the Purchase Order or the name of Sanwei or its Client shall be used by the Supplier for advertisement or publicity purposes without Sanwei's prior written consent.
- 21.2 Except where the Supplier has obtained Sanwei's prior written consent (such consent to be provided at Sanwei's sole discretion), the Supplier shall not in any way whatsoever advertise, promote or publish:
- 21.2.1 the fact that it supplies components that are used by Sanwei or the client
- 21.2.2 any association with the Client,
- 21.3 In the event that a person who supplies the Supplier is found to be in breach of this clause 21, the Supplier shall take all reasonable steps to ensure that the party will cease to publish or advertise the

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- relationship with the Client.
- 21.4 The Supplier shall not place any name or logo on the Goods (including any name or logo belonging to the Supplier or Sanwei) other than as specifically directed in writing by Sanwei.
- 21.5 The Supplier acknowledges the importance of the obligations in this clause 21 to Sanwei and the Client, and that any breach of the same shall be a material breach of the Purchase Order.
- 22. Confidentiality**
- 22.1 These Conditions shall supersede any Confidentiality or Non-Disclosure Agreement between the parties in respect of confidentiality in the performance of the Purchase Order.
- 22.2 Each of the parties (a "Receiving Party") acknowledges that, whether by virtue of and in the course of a Purchase Order or otherwise, it shall receive or otherwise become aware of Confidential Information of the other party (the "Disclosing Party"), and, in respect of all such Confidential Information, the Receiving Party will:
- 22.2.1 treat it as confidential;
- 22.2.2 restrict its disclosure to such of its employees, agents and professional advisors as have a need to know and subject always to such employees and agents being under a similar duty of confidentiality; and
- 22.2.3 not disclose it to any third party without the prior written consent of the Disclosing Party.
- 22.3 The requirements of this clause 22 shall not apply to any Confidential Information which:
- 22.3.1 is or becomes common knowledge without breach of this clause by the Receiving Party; or
- 22.3.2 was in the Receiving Party's possession prior to receipt from the Disclosing Party, or developed for or by the Receiving Party at any time independently of any disclosure by the Disclosing Party; or
- 22.3.3 the Receiving Party is required to disclose by law or other competent authority, provided that the Receiving Party notifies the Disclosing Party, if permitted by law, as soon as it receives such a request for disclosure and affords to the Disclosing Party all such reasonable assistance as the Disclosing Party may reasonably request to prevent or limit such disclosure.
- 22.4 The Supplier shall not, and shall procure that its agents shall not, without Sanwei's prior written consent, take any pictures or make any recordings on any of Sanwei's premises.
- 22.5 The Supplier acknowledges the importance of its obligations in this clause 22 to Sanwei and the Client, and that any breach of the same shall be a material breach of the Purchase Order.
- 23. Termination**
- 23.1 Sanwei may terminate the Purchase Order by giving not less than six (6) months' written notice to the Supplier at any time.
- 23.2 Either party may terminate the Purchase Order, in whole or in part if the other party:
- 23.2.1 materially breaches any provision of the Purchase Order which breach is irremediable, or which breach (if remediable) is not remedied within thirty (30) days of receiving written notification of such breach; or
- 23.2.2 ceases or threatens to cease to trade (either in whole, or as to any part or division involved in the performance of the Purchase Order), or becomes or is deemed insolvent, is unable to pay its debts as they fall due, has a receiver, administrative receiver, administrator or manager appointed of the whole or any part of its assets or business, makes any composition or arrangement with its creditors or an order or resolution is made for its dissolution or liquidation (other than for the purpose of solvent amalgamation or reconstruction), or takes or suffers any similar or analogous procedure, action or event in consequence of debt in any jurisdiction, by giving five (5) Business Days written notice.
- 24. Consequences of Termination**
- 24.1 Upon termination of the Purchase Order for any reason, the Supplier shall cease immediately to make any use of Sanwei's Confidential Information and shall return such Confidential Information to Sanwei or, if requested in writing, destroy the same and confirm in writing (signed by a director or senior manager) that it has done so.
- 24.2 Subject to clause 24.5, upon termination of the Purchase Order the Supplier shall Deliver to Sanwei:
- 24.2.1 all Goods then in the Supplier's possession or control, whatever their state of development at that time, and all materials and information reasonably required by Sanwei to complete such Goods;
- 24.2.2 all Tooling then in the Supplier's possession or control; and
- 24.2.3 all materials and property belonging to or relating to Sanwei,
- and to the extent that title to such tooling, material and property does not already vest in Sanwei or has not otherwise transferred to Sanwei, title in the same shall transfer to Sanwei on payment in full for the same being made by Sanwei in accordance with this clause 24.
- 24.3 In the case of termination of a Purchase Order by Sanwei pursuant to clause 23.1, Sanwei's liability to the Supplier will be limited to payment of (i) the price of the Goods Delivered to Sanwei and not previously paid for; (ii) the value of the price for any Goods manufactured in accordance with the Purchase Order; and (iii) the auditable cost for manufacture for any work in progress that has been started in line with the manufacturing batch size and lead time as detailed in the Purchase Order, subject in each case to the Supplier taking all reasonable efforts to minimise the costs and that Sanwei's liability shall not exceed the binding Purchase Order value.
- 24.4 The Supplier shall also, if so required by Sanwei in writing, complete all Goods partially completed on the date of such notice

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- and in respect of which Sanwei shall pay the price of such Goods it accepts.
- 24.5 In the event of termination of the Purchase Order by Sanwei pursuant to clause 23.2, the Supplier shall not be entitled to any payment by Sanwei, save that Sanwei shall have the right to purchase at fair value all tooling and any stocks of spare parts relating to any Goods supplied or to be supplied by the Supplier.
- 24.6 Payment by Sanwei of the amounts required under this clause 24 shall constitute full and final satisfaction of any claims the Supplier may have arising from such termination.
- 24.7 Any termination of the Supplier Agreement shall not affect the accrued rights and obligations of the parties, nor shall it affect any provision which is expressly or by implication intended to come into force or continue in force on or after such termination.
- 25. Assignment and Sub-Contracting**
- 25.1 Sanwei may, at any time, assign, transfer, charge or sub-contract any or all its rights or obligations under a Purchase Order either in whole or in part to any member of its group or the Client.
- 25.2 The Supplier shall not, without the prior written consent of Sanwei, assign, transfer, charge, or sub-contract any or all its rights or obligations under a Purchase Order either in whole or in part.
- 25.3 If Sanwei consents to any such assignment, transfer, charge or sub-contracting, the Supplier shall continue to be responsible for all its obligations hereunder.
- 25.4 In the case of any sub-contracting, the Supplier shall include in its own terms and conditions with the sub-supplier, conditions consistent with those of these Conditions, including but not limited to those relating to retention of title, right of re-possession, notification it is bailee of Tooling, non-publicity and confidentiality, warranties and compliance with quality standards and relevant requirements under clause 29.
- 26. Notices**
- Any notice given by one party to the other in respect of the Purchase Order shall be in writing and shall be addressed to the other party at its registered office or principle place of business or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, or sent by pre-paid first-class post, recorded delivery, commercial courier, fax or e-mail. Email notices from the Supplier to Sanwei including contractual notices must be sent to contact who raised the Purchase Order.
- 27. General Conditions**
- 27.1 Save for members of Sanwei's group and the Client, a person who is not a party to any agreement under these Conditions shall not have any rights under or in connection with it.
- 27.2 The Supplier shall ensure that its employees, officers and agents working on or visiting Sanwei's premises (including delivery drivers) shall behave in a professional manner and comply with Sanwei's values and policies.
- 27.3 These Conditions shall not be modified or varied unless Sanwei's agreement to alter, modify or vary these Conditions has been obtained in writing.
- 27.4 No failure or delay by either party in exercising any right or remedy under the Purchase Order or by law shall constitute a waiver of that or any other right or remedy. No waiver of any breach of the Purchase Order shall be considered as a waiver of any subsequent breach or the same or any other provision.
- 27.5 In the event of any conflict between these Conditions and the Supplier Quality Manual or any terms appearing on the face of a Purchase Order and/or any Delivery Schedule, these Conditions shall prevail.
- 28. Governing Law and Jurisdiction**
- 28.1 The Purchase Order, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non- contractual disputes or claims), shall be governed by, and construed in accordance with the Laws of Taiwan and/or England & Wales.
- 28.2 Subject to clause 30, the parties irrevocably submit to the exclusive jurisdiction of the courts of England and/or Taiwan.
- 29. Compliance with Relevant Requirements**
- 29.1 The Supplier shall:
- 29.1.1 comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010 ("Relevant Requirements");
- 29.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- 29.1.3 have and shall maintain in place throughout the term of this agreement its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, and will enforce them where appropriate; and
- 29.1.4 promptly report to Sanwei any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this agreement.
- 30. Dispute Resolution**
- 30.1 In the event of a dispute arising out of or in connection with the Purchase Order (a "Dispute"), each party shall nominate an individual who shall meet and shall attempt in good faith to resolve such dispute in the normal course of business.
- 30.2 If the individuals nominated pursuant to clause 30.1 do not resolve the Dispute, either party may request escalation of the negotiations to a senior executive with authority to settle the Dispute, by giving the other party written notice of the Dispute not resolved (the "Dispute Notice"). The Dispute Notice shall include (i) a short statement of that Party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive(s) who will represent that party in the negotiation.

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- 30.3 Within five (5) Business Days of delivery of the Dispute Notice, the receiving party may submit a written response to the Dispute Notice to the disputing party (the "Response"). The Response shall include (i) a short statement of the receiving party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive(s) who will represent that party in the negotiation. Within ten (10) Business Days after delivery of the Dispute Notice and thereafter as often as they reasonably deem necessary, the nominated executives of each of the Parties shall meet to attempt to resolve the dispute by negotiation.
- 30.4 If the Dispute has not been resolved by negotiation within twenty-five (25) Business Days of delivery of the Dispute Notice, then each party agrees to submit to the exclusive jurisdiction of the courts of England and/or Taiwan under clause 28 above.
- 30.5 Nothing in this clause 30 shall prevent either party from having recourse to a court of competent jurisdiction for the sole purpose of seeking a preliminary injunction or such other provisional judicial relief as it considers necessary to avoid irreparable damage.
- 30.6 In calculating the limitation period for any claim that is ultimately pursued through litigation, the period between the date of service of the Dispute Notice and the date on which the parties are free to resort to litigation shall be excluded.
- 31. Definitions and Interpretation**
- 31.1 In these Conditions the following words shall have the following meanings:
- "**Mass Production**": Sanwei's purchase order for Goods for Mass Production purposes as issued and accepted in according with clause 4;
- "**Business Day**": means any day (other than a Saturday or Sunday) on which banks are open in the local city for the transaction of normal banking business
- "**Client**": Sanwei's client in respect of Purchase Order;
- "**Confidential Information**": any information or data relating to a person and/or its technology, research, business or affairs that is directly or indirectly disclosed (whether in writing, orally or by another means) by one party to the other party under or in connection with the Purchase Order (including the terms of the Purchase Order itself);
- "**Delivery**": the transfer of physical possession of the Goods to Sanwei or its agent in accordance with these Conditions; and reference to "**Deliver**" and "**Delivered**" shall be construed accordingly;
- "**Goods**": the goods and/or services (including Tooling and Industrialisation Obligations where the context permits), or any part of them, to be supplied by the Supplier to Sanwei;
- "**Purchase Order**": Sanwei's purchase order for Goods, recording the agreed price, Specification and Delivery obligations, whether a Mass Production Order or other form of order referring to these Conditions;
- "**QAF**": a quotation analysis form in the format provided by Sanwei;
- "**Request for Quotation**": a request for quotation issued to the Supplier by Sanwei;
- "**Specification**": any specification for the Goods, including any related plans and drawings, that Sanwei provides to the Supplier or produced by the Supplier and agreed in writing by the parties, including any Variation;
- "**Supplier**": the person whom has accepted a Purchase Order for Goods under these Conditions;
- "**Supplier Quality Manual**": the quality manual that provides systems, policies and processes for developing robust, high quality, manufacturing and production programmes, and contains the minimum requirements to assure the quality of the Goods meet Sanwei's and the Client's quality expectation, issued to the Supplier and updated by Sanwei from time to time;
- "**Variation**": means a variation agreed through the change management procedure in clause 13; and
- "**Tooling**": has the meaning given in clause 10.1.
- 31.2 Headings used in these Conditions do not affect their interpretation.
- 31.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors or permitted assigns.
- 31.4 Any obligation on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 31.5 "**Other**", "**includes**", "**including**", "**for example**", "**in particular**" and other similar words and phrases shall not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 31.6 Any reference to "**year**" means a calendar year