

Buyer Tel: 買方電話 20290

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General Terms

With regard to the sale and purchase of Products (as hereinafter defined), Seller and Buyer (collectively the “Parties”) hereby agree as follows:

1. Product(s)

“Product(s)” shall mean any product, its spare part and component manufactured and/or provided by Seller to Buyer pursuant to this Purchase Order (“PO”), and/or any design, research, testing and other services agreed by both Parties under this PO.

2. Price

Unless otherwise agreed upon in this PO or other written agreements by both Parties, price under this PO (“Price”) shall include all tax, shipping cost and other production and sale cost. Seller hereby warrants that the Price does not exceed those offered to other customers purchasing the same products under the same or similar transaction conditions. If, at Buyer’s discretion, the price for the same or similar products is lower, Buyer may thus proportionally deduct the payment for the Products and/or offset against any of Buyer’s accounts payable to Seller (including but not limited to the payment for the Products.). In event the payment have been made, Seller should return the balance.

3. Payment

Unless otherwise stipulated herein, payment shall be made during the monthly batch processing period net 90 days following from commence date of such monthly batch processing period after Buyer’s formal written acceptance of the Product.. Seller agrees that Buyer is entitled to cease performing the payment obligations to Seller (including but not limited to the payment obligation for the Products) without any liability if Buyer finds any defect in the Products before payment.

4. Forecast

Buyer may periodically or from time to time issue the forecast to Seller, and Seller shall confirm such forecast in writing within two (2) working days from the receipt of such forecast. In case Seller is unable to satisfy any forecast, Seller shall state reasons and adjustment suggestions in writing and reply to Buyer. Seller shall prepare materials and production capacity according to the forecast. However, the forecast (whether confirmed or not) does not constitute Buyer’s order or purchase obligation.

5. Purchase Order Change

Both Parties agree that, Buyer may, from time to time before Seller’s shipment of Products, cancels the shipment or changes: 1) the method of shipment or packing, 2) time and/or place of delivery, and/or 3) the quantity of Products specified under this PO, DN or other delivery request.

6. Delivery and Package

Unless otherwise stipulated herein, Seller shall deliver Products in accordance with DDP (Incoterms® 2010). Title to Products shall pass from Seller to Buyer upon Seller’s delivery of the Products to Buyer. Seller shall deliver Products in strict accordance with this PO, DN and other delivery request provided by Buyer. In case that any shipment will or may likely be delayed, Seller shall immediately notify Buyer of the reasons for and the effect of such delay. Upon Buyer’s request, Seller shall, at its expenses, undertake steps to cure such delay, including but not limited to adopting expedite shipping method like by air to deliver Products and providing necessary documents. If Seller fails to deliver Products in a timely manner, in addition to the remedies under applicable laws, Buyer is entitled to penalty at 0.5% of the total Price of the delayed Products per day, starting from Delivery Date as specified in this PO and ending on the Delivery Completion Date (“Delivery Completion Date” herein means the date when Products are accepted by Buyer). Buyer’s acceptance of the delayed shipment shall not relieve Seller of its liabilities under this PO or applicable laws. Seller shall, at its expenses, label, package, handle, and preserve or dispose of Products in conformance with good commercial practice and Buyer’s instructions, so as to make the Products and the transaction comply with laws and regulations and requirements of Buyer’s customers, and hold Buyer and its customers harmless from any loss or damage.

7. Inspection and Acceptance

Seller shall inspect Products before delivery according to the specifications, quality standards and other standards required by Buyer. Upon Buyer’s request, Seller shall provide to Buyer the outgoing inspection report and technical documents related to equipment, production process, quality control, reliability, safety and so on. Buyer may enter Seller’s facility to inspect the production process and Products from time to time, and Seller shall provide Buyer with all necessary assistance. Buyer or the party designated by Buyer may inspect Products before or after delivery in accordance with specification, quality standards and other standards required by Buyer. However, whether Products are inspected or accepted by Buyer shall not relieve Seller of any of its warranties for Products. Seller shall bear any and all expenses arising from the inspection herein.

8. Warranties

Seller warrants that: 1) all Products shall conform strictly to Buyer’s specifications, drawings or other requirements; 2) all Products shall be free of any lien, mortgage, pledge or encumbrance; 3) none of Products shall infringe any third party’s intellectual property rights; 4) all Products shall be free from any defect in design, material and workmanship; Seller further warrants that 1) all Products shall fully comply with the social and environmental requirements of Buyer and its customers, and other related social and environmental standards (including but not limited to RoHS, EICC, REACH, SA8000, ISO14001, OHSAS18001 and WEEE); 2) Seller shall not make any changes to the designs, materials, production process, quality control, manufacturing site and other aspects of the Products without Buyer’s prior written consent; 3) none of Products shall cause any personal injury or death or any damage to property of Buyer, its customers and any third party; and 4) all Products shall comply with other agreements between both Parties. Warranties herein shall survive termination of this PO in whole or in part.

9. Warranty and Maintenance

Seller shall provide after services, free of charge, within the period, set forth in the front page(s)

of this PO, following the date of Buyer’s formal written acceptance of the Product. In the event that the warranty period agreed by both Parties is longer than the period mentioned in this PO, such agreed warranty period shall prevail. The after services after the warranty period shall be free provided in the event that Seller breaches any provision specified in the PO, or that the defects of the Product could not be found by Buyer with normal inspection procedures. The fees for after services after the warranty period will be subject to further negotiation between the Parties, provided that such fees will not exceed those reasonably offered to a third party purchasing similar Product.

10. Product Defect

If any Product is not in conformance with the specification required by Buyer or the warranties under this PO, Buyer may at its sole discretion select one or more of the following: 1) return the nonconforming Products at Seller’s expenses (including but not limited to freight, customs and insurance premium) and risk, and have Seller replace or repair the nonconforming Products or provide similar Products within a period designated by Buyer; 2) repair or have any third party repair the nonconforming Products and recover from Seller reasonable costs and expenses incidental or in associated with such repair; 3) reject all Products covered by this PO or the nonconforming Products only, procure similar Products in substitution and charge Seller for additional costs (including but not limited to freight, customs and insurance premium) arising from the procurement of such substitutes; 4) deduct the payment; 5) terminate this PO in whole or in part; 6) have Seller indemnify Buyer or Buyer’s customer for all losses and damages incurred; 7) have Seller compensate Buyer for the costs and expenses in connection with the inspection (including sorting) ; 8) have Seller provide defect analysis report and correction plan for the nonconforming Products in writing. Buyer’s selection of any remedies above shall not be deemed a waiver of any remedial right which Buyer is entitled to according to applicable laws.

11. Intellectual Property Right

Seller agrees to grant Buyer and its customer(s) a perpetual, irrevocable , non-transferable, and royalty-free license under all intellectual property rights included in the Products supplied to Buyer by Seller, so that Buyer and its customer(s) have the right to make, use, sell, offer to sell or import similar products or other products which contain the aforesaid intellectual property rights worldwide.

12. End of Life Product and Supply of Spare Parts

Seller shall notify Buyer in writing at least twelve (12) months before the end of life of Products. Seller promises to supply spare parts for ten (10) years after the end of life of Products. If Seller is unable to meet the aforesaid requirement regarding spare parts supply, Seller shall provide replacement Products with the same function upon Buyer’s consent.

13. Infringement Indemnification

Seller warrants that Product shall not infringe any third party’s intellectual property. Seller shall provide to Buyer any document or assistance required for any infringement investigation. In the event of any infringement claim, Seller shall indemnify, defend and hold Buyer and its affiliates, customers, directors and employees harmless against any damages and losses arising therefrom, and, upon Buyer’s notification and at Seller’s expenses, 1) modify Product design to make it non-infringing or 2) obtain third party’s license for the use of such Product. In the event of any lawsuit for infringement, Seller shall bear all court fees, settlement payments or judgment awards (including but not limited to attorney fees); upon Buyer’s request, Seller shall at its own expenses retain attorneys and defend the lawsuit on behalf of Buyer.

14. Liabilities for Breach

In case of Seller’s breach, nonperformance or incomplete performance of any obligations under this PO (including but not limited to those related to delivery date, Product quantity, or warranties), Buyer is entitled to terminate this PO in whole or in part without any liability. Seller shall compensate Buyer for any cost, expense, penalty, loss or damage incurred (including but not limited to the loss and damage claimed by Buyer’s customers, litigation costs, and attorneys’ fees) arising therefrom. Buyer is entitled to take any its debt to Seller (including but not limited to the payment for Products) to offset the above mentioned costs, expenses, penalties, losses and damages incurred by Buyer.

15. Assignment

Seller shall not assign any right or obligation under this PO to any third party without Buyer’s prior written consent. Seller shall be held jointly and severally liable with the third party for the third party’s breach of any obligation hereunder even though the assignment was consented to by Buyer.

16. Waiver

Buyer’s waiver of any its right and/or remedy provided under this PO shall only be done in writing. Buyer’s waiver of any right and/or remedy for Seller’s noncompliance with any obligations herein shall not constitute a waiver of its right and/or remedy in subsequent similar instances. 16. Governing Law and

17. Jurisdiction

The formation, effectiveness, interpretation and performance of this PO shall be governed by the laws of the Buyer’s place of business. Any and all disputes arising out of this PO shall be amicably resolved by both Parties. Both Parties agree to submit the disputes, which cannot be amicably settled, to the arbitration organization at Buyer’s place of business, such as China International Economic and Trade Arbitration Commission, South China Sub-Commission in accordance with its then current arbitration rules. If the arbitration fails to proceed or there is any dispute about the validity of the arbitral awards due to jurisdiction, Statutes of Limitations or other reasons, both Parties agree to submit the disputes to the court at Buyer’s place of business as the first instance court. However, the formation, effectiveness, interpretation and performance of this PO shall be governed by the laws of Republic of China, and any disputes arising out of this PO shall be submitted to Hsinchu District Court, Taiwan for the first resolution, if Seller’s registered place of business is in Taiwan.