

Terms of Purchase Order

1. The seller shall deliver the products in accordance with the purchase order issued by the buyer (“Purchase Order”) and these terms of such Purchase Order (“Terms of Purchase Order”). The seller shall accomplish the manufacture of products and deliver such products in accordance with the conditions specified in the Purchase Order. The parties, the seller and the buyer, set out in these Terms of Purchase Order shall include the affiliates of both parties.
2. The seller shall, within two (2) business days after buyer’s issuance of a Purchase Order, respond to the buyer whether it accepts or declines such Purchase Order. Failure by the seller to decline the relevant Purchase Order within such period shall be deemed to constitute an acceptance by the seller of such Purchase Order and these Terms of Purchase Order. In accordance with the commercial conditions agreed between the parties, the buyer shall be entitled to, at any time and based on its actual need, modify the quantity, delivery date, specification, or design of the product in any Purchase Order or partially or fully cancel any Purchase Order, by giving a notice in writing, by telephone, facsimile, electronic mail or through electronic system to the seller.
3. In the event of failure to deliver any of the products on the delivery date as agreed between the parties, or any delay in delivery or the products delivered not in compliance with the standards, the buyer may, at its option, request the seller to perform its delivery obligations within the period designated by the buyer, deliver new products, cancel such Purchase Order or request any third party to deliver the products and the seller shall reimburse the buyer for all losses and costs and expenses incurred by the buyer as a result of such breach of the terms. In case that the buyer requests the seller to make the delivery or deliver new products, the buyer is entitled to request the seller to pay the late delivery charge at 0.3% of the total purchase price of the relevant Purchase Order for each day of delay. Should the seller have any late delivery of the products, the seller shall, at the buyer’s option and at the costs and expense of the seller, ship such products via air transportation or other expedited transportation method to the destination designated by the buyer.
4. The products delivered to the destination designated by the buyer shall be inspected in accordance with the criteria of the buyer. The seller shall deliver the products in accordance with the delivery terms as specified in the Purchase Order. The seller shall provide the ex-factory inspection report showing conformity or specification certification of the product to the buyer upon delivery of the products, and the seller shall also comply with the buyer’s instruction or request on transportation or packaging. The buyer is entitled to reject any delivery of the product or service which does not conform to the buyer’s inspection criteria and request for refund, request the seller to efficiently repair without charge, replace the products or re-perform any related services. The buyer may return to the seller the products that does not

conform to the specification and charge the seller with any associated costs. Such inspection right of the buyer shall not relieve the seller of any warranty obligation of the product.

5. The seller is the exporter and importer of the record. The seller shall be responsible for complying with any and all related rules and regulations, including paying any and all related customs, taxes and government fees and complying with any and all applicable rules and regulations, ordinances, requirements of certification and registration, including but not limited to any regulations of product safety, electromagnetic compatibility, communication, product recall and environmental protection.
6. The seller warrants that the products sold hereunder shall be free from any defect and meet the manufacturing conditions and requirements provided by the buyer. The warranty period of a product shall be three (3) years from the date of passing of the buyer's inspection criteria or the period otherwise agreed between the parties. The seller ensures that it shall hold the buyer, the person performing the obligation for the buyer, buyer's customer or any third party harmless from any damage resulting from the use of the products. In case of breach of the aforementioned obligations, the seller shall, at its cost and in accordance with the buyer's request, defend and indemnify such aforementioned parties from all claims arising out of any damage or related proceedings in relation to the products sold.
7. The seller agrees that the buyer may deduct any amount payable by the buyer to the seller or offset such amount in a way otherwise agreed between the parties against any damage, costs and expense incurred from product inspection or product defect, and such deduction or offset shall be recorded in detail in the paying records. Any deduction of the related compensation or refund procedures shall be conducted in accordance with the relevant instructions of the buyer. The buyer may offset any of its claims of itself or its affiliates against the seller or seller's affiliates, with any of the claims against the buyer or buyer's affiliates by the seller or seller's affiliates.
8. Without the buyer's written consent, the seller shall not disclose any commercial secret of the buyer to any third party or use such information for any purpose other than the purpose to perform the Purchase Order; such commercial secrets include any and all manufacturing process, drawings, procedures, operation, workmanship, design and parameter information, may or may not be marked "confidential" which are owned or disclosed by the buyer. In case of breach of the aforementioned obligation, the seller shall compensate the buyer for any loss incurred therefrom. The confidentiality obligations of the seller shall survive any termination of the Purchase Order.
9. The seller warrants that the products or service provided by the seller do not infringe any third party's intellectual property rights. In case of breach of the aforementioned obligation, the seller shall indemnify the buyer against any and all damages and loss, including but not limited

to litigation costs, attorneys' fees, compensation demanded by third parties and administrative penalties.

10. The seller ensures that it shall comply with all applicable domestic and international laws, regulations and standards, including but not limited to the laws, regulations and standards of any related delivery, design, manufacturing, testing, labeling, selling and transportation. The seller shall, at any time, comply with all applicable laws and regulations regarding supplier's supplying behaviors within the jurisdiction, including but not limited to the Foreign Corrupt Practices Act ("FCPA") and any other laws of anti-bribery. The seller ensures that it shall strictly comply with the undertaking of integrity, shall not offer any money, shares, sales commission, entertaining treatment or other forms of bribery to any personnel of the buyer, shall not tender any false or counterfeit products and for itself and its employees shall not cooperate with the buyer's employees or employees' relatives to invest in any commercial organization.

11. Fair Trade and Antitrust Provisions.

- (1) For purposes of the Terms of Purchase Order, the seller represents and warrants that it, its affiliate and their officers, directors, employees, successors, suppliers, distributors, agents and so on ("Seller's Related Entities"), will comply with any and all competition law in the world, including but not limited to fair trade law in Taiwan (R.O.C.), Antitrust law in U.S.A. and other applicable requirements of antitrust, fair competition or other similar laws, rules, regulations and judicial doctrines in any other countries or territories (collectively, "Competition Law"), to foster a corporate culture of ethical management and fair competition and shall refrain from engaging in any malicious competition by means against the law, including, but not limited to, unfair concerted action, restricted selling pricing, the abuse of monopoly behavior, limit the fair competition, unfair merger, improper trading, collusion, joint pricing, price coordination, customer allocation and any other behavior breach of the said laws or regulations.
- (2) In the event that the seller and/or Seller's Related Entities are subject to an investigation by a court or competent government authority for any breach the subsection 1 of this section, the seller and/or Seller's Related Entities shall cooperate in such investigation by the court or authority, and Seller shall notify the buyer timely in writing.
- (3) Regardless of whether a Purchase Order is terminated or not, in case of violation of the subsection 1 of this section by the seller and/or Seller's Related Entities, the seller will be liable for the buyer for any damages, including but not limited to damages, lose, litigation cost, attorney fees, claim, settlement, liquidated damage, and any all other payments arising from any third party claims or any government action and in no event will the buyer be responsible for such violation. The buyer may also terminate all or a portion of the subject Purchase Order

accordingly.

- (4) Seller will alert buyer immediately if it has proof or reasonable suspicion of Seller's Related Entities engaging in violation of the subsection 1 of this section. Seller shall also convey its rights against Seller's Related Entities to buyer under buyer's request.
12. Without the buyer's prior written consent, the seller shall not assign, subcontract, sublicense the Purchase Order or furnish any rights and obligations of the Purchase Order as security to any third party.
13. Except both parties are registered in the People's Republic of China, the parties hereto agree that the Purchase Order and Terms of Purchase Order shall be governed in accordance with the laws of the place where the buyer is located. The parties agree that any dispute arising from performing the Purchase Order shall be submitted to the jurisdiction for the first instance in accordance with the following method:
 - (1) Shilin district court, Taiwan, if the buyer is located in Taiwan;
 - (2) courts of Singapore, if the buyer is located in Asia other than in Taiwan;
 - (3) the state or federal courts located in the state of California, U.S.A., if the buyer is located in America;
 - (4) courts of the Netherlands, if the buyer is located in Europe;
 - (5) courts of the UK, if the buyer is located in the UK;
 - (6) court at the place where the buyer's principle business place is located, if none of the above applies.

If both parties are registered in the People's Republic of China, the parties hereto agree that the Purchase Order and Terms of Purchase Order shall be governed in accordance with the laws of the People's Republic of China. The parties agree that any dispute arising from performing the Purchase Order shall be submitted to the China International Economic and Trade Arbitration Commission (CIETAC) where the domicile of the buyer is located for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration.

14. The Terms of Purchase Order are formed following the sufficient communication between the parties, in consideration of establishing a cooperative long-term relationship, the company corporate image and long-term benefit of the two companies, and such terms are not the standard terms of either party. Upon the seller's acceptance of any Purchase Order, the Terms of Purchase Order shall be deemed accepted by the seller and the content thereto shall be binding upon the parties.

15. In case there is any conflicts between the Terms of Purchas Order and provisions of any purchase agreement executed by the parties, such purchase agreement shall prevail.