

## General Terms and Conditions for Indirect Procurement (China)

**"Buyer"** means Jabil Inc. (a US Delaware corporation) or any of its Affiliates issuing a purchase order ("**PO**") to a supplier. **"Supplier"** means the party who sells or delivers any Deliverable to Buyer. (i) If there has already been a written agreement entered into by and between Buyer and Supplier regarding the Deliverable, then the aforesaid written agreement, together with any PO issued by Buyer, these General Terms and Conditions for Indirect Procurement ("**GTCs**") and any applicable supplemental terms and conditions to GTCs ("**STCs**"), shall constitute the complete supply agreement between Buyer and Supplier regarding the Deliverable. (ii) If there has not been any written agreement between Buyer and Supplier regarding the Deliverable, then any PO issued by Buyer, together with the GTCs and applicable STCs, shall constitute the complete supply agreement between Buyer and Supplier regarding the Deliverable. Such aforesaid complete supply agreement shall be referred to hereinafter as the "**Supply Agreement**". No other terms or conditions, including without limitation, Supplier's standard terms and conditions, whether included in Supplier's quotation, proposal, order acknowledgement, invoice or otherwise, shall have any legal effect between the parties unless specifically accepted in writing by Buyer. If there is any conflict among the various terms in the Supply Agreement, the order of precedence from high to low shall be as follows: (1) PO terms other than the GTCs and STCs, such as quantity, price, payment and delivery terms; (2) the written agreement (including but not limited to any award letter, together with any exhibits, issued by Buyer) between Buyer and Supplier; (3) the STCs; (4) the GTCs. Supplier accepts the Supply Agreement by doing any of the following: (a) commencing any work or making any delivery of the Deliverable; (b) accepting the PO in writing; or (c) any other conduct that recognizes the existence of a contract with respect to the Deliverable.

**1. Certain Definitions:** (i) "**Affiliates**" shall mean, in respect of an entity, any other entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. For the purpose of this definition, "control" means direct or indirect ownership or control of more than 50% of the voting interest of the subject entity; (ii) "**Authorized Supplier**" shall mean a Supplier who is duly authorized by an original equipment manufacturer to supply the latter's branded products or services, (iii) "**Buyer Custom Development**" means any content, technical information, inventions, discoveries, improvements, methods, techniques, software (object and source code), training material, processes and works of authorship, and other information conceived, developed, or first reduced to practice by Buyer (including its employees, consultants or representatives or jointly with Buyer), under or in the performance of the Supply Agreement; (iv) "**Deliverable**" means, including without limitation, any equipment, raw material, commodity, software and/or service (including any component, part, sub-assembly, assembly or raw material thereof) purchased by Buyer from Supplier; (v) "**Delivery Date**" shall mean the date Supplier is required to deliver the Deliverable to Buyer's designated location; (vi) "**Embedded Software**" means software necessary for operation of goods and embedded in and delivered as an integral part of a Deliverable; (vii) "**Law**" means any and all laws of any relevant jurisdiction, including national, supranational, state, provincial, local or similar statutes, common law, regulations, treaties, ordinances, codes, directives, notices, policies or rules of law, legal requirements, orders or judgments, government restrictions, professional requirements, and standards issued by legislative, administrative, judicial or regulatory bodies; (viii) "**Specifications**" means written specifications setting forth manufacturing, component, testing, shipping and all other technical requirements for the Deliverables.

**2. Price and Payment Terms:** Unless otherwise agreed upon in writing by the parties, all prices are: (i) stated in the statutory currency of Buyer's location; (ii) not subject to any increase for the duration of the Supply Agreement; (iii) DDP at Buyer's designated location (INCOTERMS 2010); and (iv) inclusive of the cost of Deliverable, all expenses and expenditures incurred for the performance of the Supply Agreement, Supplier's profits and all applicable taxes. Payment of Supplier's invoices (i.e. Fapiao) shall be net ninety (90) days from the end-of-month of Buyer's receipt and acceptance of Deliverables and invoices conforming with applicable laws and Buyer's requirements, unless otherwise agreed upon in writing by the parties. Receipt and acceptance of invoice is of the essence for Buyer's payments. Buyer is entitled to withhold any payment until the invoice corresponding to the payment is duly received and accepted. All monies paid are refundable to Buyer if the Deliverable does not conform to agreed Specifications or standards. Buyer shall not be liable for any taxes, unless Buyer otherwise agrees upon in writing; any of such applicable taxes that have been agreed by Buyer in writing, shall be separately and correctly stated on the invoices by Supplier; and if any payment for the taxes is made but without Buyer's written agreement, such payment shall constitute unjust enrichment on the part of Supplier and shall be refundable to Buyer. Supplier warrants that it is selling at the lowest prices and upon the most favorable terms that it offers any customer for the same or comparable Deliverable. If Supplier sells or offers to sell any Deliverable to a third party at a lower price or upon one or more terms that are more favorable than those previously offered to Buyer, then an equivalent price reduction or modification of terms will apply to all Deliverables purchased thereafter for the balance of the term of the Supply Agreement. Buyer may set off any amount owing at any time from Supplier to Buyer or any of its Affiliates against any amount payable at any time by Buyer under the Supply Agreement.

**3. Forecast:** Buyer may provide Supplier with forecasts of its future anticipated Deliverable requirements. Supplier acknowledges that any such forecasts are not legally binding and Buyer makes no representation, warranty or commitment, express or implied, with respect to the accuracy or completeness of such forecasts.

**4. Cancellation and Termination:** (a) Buyer may cancel any PO or terminate the Supply Agreement, in whole or in part, at any time with no liability, should the Supplier or any of its Affiliates (i) default in performance of any provision or obligation under the Supply Agreement and fail to cure such default within seven (7) upon Buyer's notice; or (ii) materially breach the Supply Agreement in Buyer's sole discretion (including delivery of any defective or non-conforming Deliverable); or (iii) fail to accept any PO within five (5) days; or (iv) become insolvent or unable to pay its debts as they mature; or make a general assignment for the benefit of creditors; or have a receiver appointed for the whole or any part of Supplier's assets; or become in any way the subject of a bankruptcy petition; or (v) have a change in ownership or management such that a competitor of Buyer controls the Supplier. (b) Buyer may cancel any PO or terminate the Supply Agreement at its discretion by giving Supplier a written notice to that effect. Such cancellation notice will not impact any conforming Deliverables already delivered to Buyer as of the effective date of cancellation. Buyer shall have no further liability whatsoever if Buyer's written notice is ten (10) days or more. Buyer's liability arising from a notice shorter than ten (10) days shall only be Supplier's costs of customized raw materials (limited to those which cannot be cancelled, sold to a third party, or used by Supplier) and works-in-progress incurred within any lead time approved by Buyer in writing as of the effective date of cancellation. Supplier will provide a complete cancellation cost analysis and shall immediately notify Buyer of any anticipated cancellation costs. Upon cancellation of software or services orders, Buyer shall only be liable for the price of the work that has been completed as of the date of cancellation notice. Under no circumstances shall Buyer pay cancellation charges exceeding the value of the unpaid balance of the cancelled PO.

**5. Delivery:** Time is of the essence for Supplier's delivery, performance and all other obligations arising herein. Buyer has no obligation to accept any delivery that does not meet the scheduled Delivery Date. Supplier shall be liable for all costs incurred by Buyer as a result of early or late deliveries, including expedited shipment or procurement of replacement Deliverables if Buyer so elects in its sole discretion. The liquidated damages for any late delivery shall be at the rate of 0.2% of the price of Deliverables per each day of delay. Supplier will provide immediate written notice to Buyer of any anticipated delay. Unless otherwise agreed upon in writing between the parties, delivery of the Deliverables will be made pursuant to "DDP at Buyer's designated location (Incoterms 2010)". Title to the Deliverables shall be transferred to Buyer upon delivery of the Deliverables to Buyer.

**6. Labeling, Packing and Shipping:** Supplier agrees to comply with all laws and Buyer requirements pertaining to Deliverable content and warning labels. Supplier will provide Buyer and carriers with sufficient warning in writing (including appropriate labels, handling, disposal and recycling instructions, material safety data sheets, certificate of analysis, etc.) of any hazardous or restricted material being part of or incorporated in the Deliverables. Shipments must be handled and packed to permit efficient handling, provide protection from loss or damage, and comply with Buyer's Specifications, government regulations, industry standards and carrier requirements. Supplier will be liable for any loss or damage due to its failure to properly handle or pack any shipment. No charge will be allowed for handling, packing, crating, returnable containers, import duties, transportation, documentation or media unless previously agreed upon in writing by Buyer. All containers, packing lists, bills of lading and invoices must list the PO number. Supplier shall comply with all applicable Laws relating to shipments and the entry of the Deliverables into the relevant jurisdictions and provide the Buyer and the Buyer's agent with all information required for these purposes (including customs requirements). Supplier agrees to reimburse Buyer for any fines and/or penalties incurred as a result of Supplier providing inaccurate information, or Supplier's failure to provide information.

**7. Acceptance:** Buyer may inspect all or any portion of Deliverables and may reject all or any portion of the Deliverables if Buyer determines them to be defective or nonconforming. If Buyer performs any additional inspection due to defective or nonconforming Deliverables, any additional inspection costs will be paid by Supplier. No inspection, tests, approval, design approval, acceptance or payment by Buyer of the Deliverables relieves Supplier from responsibility for warranty or any latent or patent defects, fraud, or negligence. If Deliverables are defective or nonconforming, in whole or in part, Buyer may, at Buyer's option and by written notice to Supplier: (a) cancel this PO or terminate the Supply Agreement; (b) accept the Deliverables at an equitable reduction in price; (c) at Supplier's expense, correct any defective or nonconforming Deliverables or replace them with Deliverables from another supplier; or (d) reject the Deliverables and require the delivery of replacements or reperformance by Supplier.

**8. Warranty:** Unless otherwise agreed upon by the parties in writing, Supplier warrants that all Deliverables shall (1) be provided in a professional and workmanlike manner in accordance with the highest standards in the industry and be free from defects; (2) be new and not used or reconditioned, and free of any lien, security interest, encumbrance or claim by a third party; (3) strictly conform to the Specifications, drawings, samples, and/or descriptions approved by Buyer in writing; (4) be merchantable and, to the extent Buyer relies on Supplier to specify the Deliverable, fit for the intended purpose; (5) comply with such other Deliverable specific warranties as may be required by Buyer for the time period required by Buyer; and (6) comply with all applicable Laws. The above warranties shall be effective at the Delivery Date and for the longer of the following periods ("Warranty Period"): (i) the duration of any warranty provided by Supplier to Buyer or any other customer for the same or similar Deliverable, (ii) the duration of any warranty required by a customer of Buyer which has been communicated to Supplier, and (iii) a period of two (2) years from the date of acceptance by Buyer of Deliverables. These warranties are in addition to and not in lieu of any other warranties given by Supplier and warranties created or existing pursuant to applicable Law. These warranties shall accrue to Buyer, its successors, assigns and customers and be fully transferable by Buyer. Warranty failures may be returned to Supplier for repair, replacement or refund at Buyer's option and at Supplier's risk and expense. Unless otherwise agreed upon in writing between the parties, the Warranty Period shall restart anew upon any repair or replacement of Deliverables. Replacement Deliverables shall be new and not reconditioned. Buyer shall be entitled to avail itself cumulatively of all remedies in law or in equity for any breach of warranty by Supplier.

**9. Records and Cybersecurity:** Supplier shall keep appropriate records in respect of the Deliverables for no less than: five (5) years for non-financial information; or seven (7) years for financial information. Supplier shall implement commercially reasonable, risk-based administrative, physical and technical safeguards to protect the confidentiality, integrity, and availability of any Buyer data, communications, records, confidential information, and personal information ("Buyer Data") and/or Buyer hardware, software, media and networking systems ("Buyer Systems") to which Supplier has authorized access, as well as the security of Supplier's own hardware, software, media and network systems ("Supplier Systems") used to facilitate communications, provide services to or otherwise conduct business with Buyer. Supplier shall ensure that all such safeguards are no less rigorous than accepted industry practices, such as relevant information security management standards published by the International Organization for Standardization (e.g., the ISO/IEC 27000 series), the National Institute of Standards and Technology (e.g., the NIST Cybersecurity Framework and Special Publications) or other industry standards for information security, and comply with all applicable data protection and privacy laws. Supplier shall notify Buyer promptly, and in no event later than 48 hours, after discovering any breach of security leading to the accidental or unlawful access, destruction, loss, alteration, or unauthorized disclosure of Buyer Data and/or Buyer Systems ("Security Breach"). Supplier will take immediate steps, at its sole expense, to investigate, remedy, and mitigate the Security Breach, and shall collaborate and cooperate in good faith with Buyer so that Buyer may take any action or other steps that it reasonably determines to be necessary or appropriate in light of the Security Breach. Supplier shall not make any third-party disclosures about the Security Breach without Buyer's prior consent. Supplier shall immediately notify Buyer of any regulatory notice of inquiry, investigation or similar action received by Supplier as a result of a Security Breach, and shall assist and cooperate in good faith with Buyer in responding to and otherwise complying with any such action. Supplier shall indemnify, hold harmless and defend Buyer (including its affiliates) from any claims and other actions, and reimburse Buyer for all losses, expenses, and costs reasonably incurred by Buyer as a result of a Security Breach originating from a Supplier System or other breach by Supplier of this Section.

**10. Authorized Supplier:** If Buyer requires a Supplier to be an Authorized Supplier, Supplier covenants, warrants and represents that it has been and will remain duly authorized by each original equipment manufacturer whose product or service constitutes all or part of the Deliverable. Supplier shall only deliver Deliverables to Buyer that have been procured from the

original equipment manufacturer. Failure to comply with the foregoing sentence constitutes a material breach under the Supply Agreement.

**11. Buyer's Property:** Any and all tools, equipment, items, materials, and information, provided or paid for by Buyer, shall remain Buyer's property. Whenever possible, Supplier shall adequately identify Buyer's property and safely store it separate and apart from Supplier's property. Supplier shall not substitute any property for Buyer's property and shall use such property only in fulfilling Supplier's obligations under the Supply Agreement.

**12. Indemnification:** Supplier shall indemnify, defend and hold Buyer and its employees, subsidiaries, Affiliates, successors and assigns harmless from and against all claims, damages, losses, costs and expenses, including attorney's fees, arising from any claim based in part or in whole on (i) any Deliverable, Specification, design, information technology and/or process supplied and/or approved by Supplier; (ii) that any item in subsection (i) infringes or violates any patent, copyright or other intellectual property right of a third party; (iii) Supplier's actual or alleged non-compliance with applicable Law; (iv) design or product liability alleging that any item in subsection (i) has caused or will in the future cause damages of any kind, (v) Supplier's breach of any representation, warranty, covenant or agreement made under the Supply Agreement; or (vi) any negligence or willful misconduct of Supplier, its employees, agents, Affiliates, contractors or subcontractors. Supplier will not make any settlement that affects Buyer's rights or interests without Buyer's prior written approval. If the use by Buyer or its Affiliates, subsidiaries, assigns or customers of any Deliverables or service furnished by Supplier is enjoined ("Infringing Deliverable"), Supplier shall, at Buyer's option and at Supplier expense, (a) procure for Buyer the right to continue using the Infringing Deliverables; (b) replace the Infringing Deliverable with a non-infringing Deliverable; or (c) modify the Infringing Deliverable so that it becomes non-infringing. Supplier's failure to comply with the foregoing provision shall entitle Buyer to a full refund of all payments paid by Buyer for the Infringing Deliverable. The above remedies shall be cumulative of or without prejudice to any other remedies provided in Law which are available to Buyer.

**13. Right to Audit and Appraisal:** During the term of the Supply Agreement and not more than twice per calendar year (unless circumstances warrant additional audits as described below), Buyer may audit the Supplier's policies, procedures and records that relate to the performance of Supplier under this Supply Agreement to ensure compliance with this Supply Agreement upon reasonable notice. Notwithstanding the foregoing, the parties agree that Buyer may conduct an audit at any time and without notice, in the event of (i) audits required by Buyer's governmental or regulatory authorities, (ii) investigations of claims of misappropriation, fraud, or business irregularities of a potentially criminal nature, or (iii) Buyer reasonably believes that an audit is necessary to address a material operational problem or issue that poses a threat to Buyer's business or reputation. In the case of construction projects, Supplier further agrees that Buyer will have the right to inspect and retain an appraisal institution to assess the work at any time during and after the construction. If the Buyer and the Supplier are in dispute over the value of an incomplete or defective construction and have submitted the dispute to the competent court and/or arbitration institution, the Buyer shall be entitled to appoint appraisal institution(s) and determine the value of the Supplier's work.

**14. Insurance:** Supplier will maintain all insurance and/or bonds necessary to satisfy its obligations under the Supply Agreement. Such insurance includes general liability insurance, automobile insurance, recall insurance and worker's compensation insurance or any equivalent thereof as required by applicable Laws or necessary to satisfy its obligations under the Supply Agreement.

**15. Intellectual Property:** Ownership and all rights in all Buyer Custom Development, including all rights in any trademarks, patents, copyrights, data, trade secrets and other intellectual property contained in or derived from the Buyer Custom Development, hereby vest exclusively in Buyer. The parties expressly agree to consider as a "Work Made For Hire" any Buyer Custom Development which qualifies as such under the applicable laws. To the extent the Buyer Custom Development does not qualify as a "Work Made For Hire" or where Buyer deems necessary for any other reason, Supplier hereby assigns to Buyer all such right, title and interest in such Buyer Custom Development, and agrees to provide all reasonable assistance, including providing technical information relating to the Buyer Custom Development and executing all documents of assignment and other documents (and cause its agents, contractors, subcontractors, employees and others to provide such assistance and information and execute such documents) which Buyer may deem necessary or desirable to perfect its ownership interest in such Buyer Custom Development, including trademark, patent or copyright applications. If and to the extent the Buyer Custom Development contains Supplier intellectual property, Supplier grants to Buyer and its Affiliates an unrestricted, irrevocable, perpetual, worldwide, sub-licensable, royalty-free license under the Supplier intellectual property to use, copy, modify, distribute, publicly display, publicly perform, import, manufacture, have made, sell, offer to sell (whether directly or through channels of distribution), to the extent they are needed for Buyer and its Affiliates to exercise its rights in the Buyer Custom Development. Supplier shall not assert any of its patents or other intellectual property rights against Buyer or Buyer's Affiliates or customers worldwide in connection with any use of Deliverables in the production, use, preparation, sale, or delivery of, or other action with respect to, the products or services of Buyer or Buyer's Affiliates or its customers.

**16. Embedded Software:** To the extent any Deliverables contain Embedded Software that is not Buyer's property and no title to such Embedded Software passes to Buyer, Supplier shall grant and hereby grants Buyer, Buyer's Affiliates, its customers and all other users a non-exclusive, worldwide, irrevocable, perpetual, royalty-free right to use, load, copy, install, execute, demonstrate, market, test, resell, sublicense and distribute such Embedded Software as an integral part of such Deliverables or for servicing the Deliverables (the "Buyer-Required License"). If such Embedded Software or any part thereof is owned by a third party, Supplier shall obtain the Buyer-Required License from such third party owner prior to delivery.

**17. Changes:** Buyer reserves the right at any time, to request changes in the Specifications, drawings, samples or other description to which the Deliverables are to conform, the quantity and method of shipment and packaging, or in the time or place of delivery. Supplier shall not, without the Buyer's prior written consent, (a) change the ingredients or components (including feedstock and raw materials) used to produce the Deliverables, Specifications, manufacturing process, approved plant or agreed delivery method, or (b) implement any changes which alter any of the Deliverables in such a way that is not acceptable to the Buyer's technical clearance process, even if the Deliverables are still within the Specifications.

**18. Confidential Information:** “Confidential Information” means any information which is not generally available to the public or conspicuously labeled as “proprietary” or “confidential” or with comparable legend provided by Buyer to Supplier. Orally disclosed information by Buyer is also Confidential Information if Buyer notifies Supplier in writing the confidential nature of such oral disclosure. No information can be Confidential Information if (i) it is publicly available through no fault of Supplier; (ii) Supplier gets it from a third party who had the right to provide it; or (iii) Supplier independently developed it or knew it before receiving it hereunder. Supplier shall use Confidential Information only as necessary to fulfill its obligations under the Supply Agreement and hold and protect Confidential Information with the same degree of care that it uses with its own information of like importance, but in no event less than a reasonable standard of care. Supplier shall keep Confidential Information confidential, and disclose such Confidential Information only to those employees who need to know for the fulfillment of the Supply Agreement and who undertake to comply with the confidentiality obligations hereof. Supplier shall neither disclose the existence and/or content of the Supply Agreement to any third party nor use trademarks or names of Buyer or Buyer’s Affiliates in any media, advertisement or promotion materials without prior consent of Buyer. This Section survives fulfillment or earlier termination of the PO and the expiration or termination of the Supply Agreement.

**19. Compliance with Applicable Laws:** Supplier represents, warrants and covenants to Buyer that the manufacture, delivery, or sale to Buyer of any Deliverables shall comply with all applicable Laws, including without limitation import or export Laws (including those issued by U.S. Department of Commerce, Bureau of Industry and Security), product content and labeling Laws (including the U.S. Toxic Substances Control Act and applicable RoHS and REACH regulations), product safety, emissions and environmental Laws, packaging regulations (including the ISPM 15 “Requirements of Wood Packaging Materials”), labor and employment Laws, anti-corruption, anti-bribery or anti-money laundering Laws (including the United States Foreign Corrupt Practices Act and the UK Bribery Act), conflict minerals Laws, social responsibility code of conduct requirements, and any applicable supply chain security guidelines of the countries in which Buyer conducts business. Supplier agrees to comply with the RBA Code of Conduct found at: <http://www.responsiblebusiness.org/standards/code-of-conduct/>. Upon request, Supplier shall furnish Buyer with specific declarations and certifications of compliance. Supplier shall not sell, distribute, disclose, release, receive or otherwise transfer any item or technical data provided under the Supply Agreement to or from: (1) any country designated as a “State Sponsor of Terrorism” or “SST” by the U.S. Department of State, (2) any entity located in, or owned by an entity located in a SST country, or (3) any person or entity listed on the “Specifically Designated Nationals and Blocked Persons” list maintained by the U.S. Department of the Treasury.

**20. Compliance with Buyer Policies:** Supplier acknowledges that it has read and understands the Buyer policies and requirements applicable to Buyer’s suppliers (the “Policies”) which are located at: <https://www.jabil.com/about-us/supplier.html>. Buyer may update, amend, modify and replace the Policies from time to time. Supplier agrees to keep abreast with the Policies and any changes to the Policies (as published on the abovementioned website). Supplier agrees to fully comply with the Policies (as updated and modified from time to time) for the duration of the Supply Agreement, and particularly with regard to provision of the Deliverables.

**21. Obligations of the Supplier:** Supplier shall (1) comply with reasonable requests of Buyer, including without limitation, attending meetings with Buyer and its consultants and advisers, (2) adhere strictly with any timelines required by Buyer, (3) carry out such duties, functions and additional services which are incidental to and/or necessary for the performance of its obligations under the Supply Agreement, (4) at all times be answerable to Buyer and prepare and submit to Buyer promptly such reports as may be requested by Buyer from time to time, (5) use its own resources, equipment, materials and services to carry out its obligations under the Supply Agreement, and (6) do nothing (whether by act or omission) that is adverse or prejudicial to the standing and reputation of Buyer.

**22. Independent Contractor:** The relationship of Buyer and Supplier is that of independent contractors. Nothing in the Supply Agreement shall be construed as creating the relationship of employer and employee between Buyer and Supplier or Supplier’s personnel or subcontractors and the Supply Agreement does not constitute a partnership or relationship of agency or representation between Buyer and Supplier.

**23. Miscellaneous:** Supplier may not subcontract, assign, or delegate, in whole or in part, any of its obligations or rights under the Supply Agreement without Buyer’s express written consent. Any attempted subcontracting, delegation or assignment will be void if it is not with Buyer’s written consent. Failure by Buyer to insist upon Supplier’s strict compliance to the terms and conditions of the Supply Agreement is not a waiver by Buyer of any term or condition, which must be approved by Buyer in writing. No such waiver will be construed as a waiver by Buyer of any other term or condition nor as a waiver by Buyer of any subsequent breach of the same term or condition. If any provisions herein will be held to be invalid or unenforceable for any reason such provisions will, to the extent of such invalidity or unenforceability, be reformed or, if necessary, severed to the minimum extent necessary, to render the remaining terms and conditions to be valid or enforceable. Termination of the Supply Agreement for any reason whatsoever shall not affect the continued enforceability and binding nature of such clauses as are expressed to survive termination and/or the continued application of which is necessary so as to give effect to such clauses and/or the purpose of such clauses.

**24. Dispute Resolution:** The PO and the Supply Agreement shall be governed by and interpreted in accordance with the laws of the People’s Republic of China. Any dispute arising out of or relating thereto shall be settled by China International Economic and Trade Arbitration Commission (“CIETAC”) under its then-current rules and procedures, with the mandatory site for arbitration in Shanghai. The arbitral award is final and binding upon both parties. The United National Convention on Contracts for the International Sale of Goods and any choice of law provisions that require application of any other law shall not apply. The language of arbitration shall be Chinese, unless otherwise agreed by both parties. Unless required by the arbitration tribunal, neither party will be required to provide a Chinese translation for any document or evidence which is submitted in the English language.

**25. Language:** These GTCs are written in both Chinese and English. In the event of any conflict between the English and Chinese languages of these GTCs, the Chinese language version shall prevail.

## APPENDIX A – CAPITAL / MANUFACTURING EQUIPMENT

The terms of this Appendix A shall be the supplemental terms and conditions (“**STCs**”) to the General Terms and Conditions for Indirect Procurement (“**GTCs**”) between Buyer and Supplier, and apply to the purchase of capital / manufacturing equipment (“**Equipment**”) and services related to the production, calibration and/or installation thereof (“**Services**”). The capitalized abbreviations and terms hereunder shall have the same meaning as set forth in GTCs unless otherwise specified.

**1. Specifications:** The Equipment/Services specifications and inspection and acceptance criteria (collectively the “**Equipment Specification**”) approved by Buyer in writing will be used to determine performance and acceptability of the Equipment. Unless otherwise agreed upon in writing by Buyer, final payment is contingent upon the Equipment’s passing the SAT (defined below) and compliance with the Equipment Specification after installation at the premises designated by Buyer.

**2. Pre-Installation:** Before or at the time when Supplier provides Buyer with a quotation of the Equipment and the Services, Supplier shall provide Buyer with Supplier’s installation requirements (the “**Pre-Installation Conditions**”) of the Equipment, including the location space, storage needs, necessary floor loads to hold the Equipment, height, depth and width requirements, electrical, power, water, and heating requirements, and all other requirements necessary to properly and safely install, set up, maintain and operate the Equipment. Supplier shall review the Pre-Installation Conditions with Buyer to confirm that Buyer understands such requirements. If, as a result of Supplier’s failure to provide complete and appropriate Pre-Installation Conditions on time, the installation of the Equipment cannot be completed as scheduled, Supplier shall be liable for any and all of Buyer’s losses, costs, expenses and damages arising therefrom.

**3. Installation:** The Equipment shall be installed by Supplier in a good and workmanlike manner. Supplier shall, at Supplier’s cost, send qualified Supplier Personnel (defined below) to the premises designated by Buyer to have the Equipment installed and commissioned.

**4. Acceptance:** After on-site installation and commissioning at the premises designated by Buyer, the Equipment will be subjected to on-site acceptance testing which Buyer will organize (the “**Site Acceptance Test**” or, alternatively, “**SAT**”). Supplier shall attend the SAT at Supplier’s expense, if required by Buyer. At such time as the Equipment successfully passes the SAT and satisfies the Equipment Specification, the Equipment shall be deemed to be accepted by Buyer (the “**Final Acceptance**”), and the date of such Final Acceptance hereinafter referred to as the “**Final Acceptance Date**”). Unless otherwise agreed upon in writing by the parties, the Warranty Period shall start from the Final Acceptance Date.

**5. Payments:** Buyer will not be obligated to make any payment to Supplier if any one or more of the following conditions exist: (a) Supplier is in material default of any of its obligations under the Supply Agreement; (b) Equipment is defective or does not meet the Equipment Specification or Services are not performed in accordance with the Supply Agreement; (c) Supplier has failed to make payments promptly to Supplier’s subcontractors or for goods or services related to the Equipment; or (d) Supplier has breached any of its obligations in the Supply Agreement and failed to cure such breach as notified by Buyer. In addition, Buyer may set off from payments otherwise due under the Supply Agreement claims arising under other contracts or purchase orders with Supplier. Supplier shall promptly pay each subcontractor the amount to which said subcontractor is entitled. Supplier shall, by agreement, require each subcontractor to make payments to its sub-contractors in a timely manner. Buyer has no obligation to pay or to see to the payment of any moneys to any subcontractor except as otherwise may be required by law.

**6. Equipment Warranty:** In addition to the warranty stated in the GTCs, Supplier warrants that all Equipment supplied hereunder and all Software, parts and components thereof will be of good quality and free from defects in material and workmanship for a period of three (3) years from the Final Acceptance Date or Supplier’s published warranty, whichever is longer (the “**Warranty Period**”). Such warranties shall survive any inspection, delivery, acceptance or payment by Buyer of such Equipment and Services, and shall survive the expiration or termination (including cancellation) of the PO or the Supply Agreement. Such warranties, together with all other express and implied warranties of Supplier, shall run in favor of Buyer, its successors and assigns. Buyer may charge Supplier all expenses of inspecting, unpackaging, examining, repacking, storing, returning and re-shipping any defective or nonconforming Equipment. Any testing of Equipment, which is prior to the Final Acceptance, shall not start the running of the Warranty Period. Supplier agrees to repair Equipment or to replace any necessary parts at the premises designated by Buyer at no charge during the Warranty Period. When repairs are required, the Warranty Period shall be interrupted for the repair period. The Warranty Period will resume when the Equipment is again in complete and full-time operation according to the Equipment Specification. In the event Supplier fails to respond to any of its obligations under this warranty within a reasonable period of time or to complete any warranty work within a timely manner as deemed by Buyer given the facts and circumstances, Buyer shall have the right to perform the necessary corrective action or repairs necessary by itself or by retaining a third party. In such cases, Supplier will be charged any and all costs incurred by Buyer to perform the work covered under this warranty. Notwithstanding the foregoing, where the failure or any delay to correct such failure may result or threatens to create significant liability or damages or costs to Buyer if not immediately repaired, Buyer shall have the right, without notice to Supplier, to immediately perform the necessary repairs or corrective action by itself or through a third party, and Supplier agrees to reimburse Buyer for any and all costs incurred by Buyer relating to the performance of such work.

**7. Access and Use of Premises and Property:** If Supplier performs any work on the premises designated by Buyer or utilizes the property of Buyer/Buyer’s Affiliates or Buyer’s customer, whether on or off the premises designated by Buyer: (a) Supplier will examine the premises to determine whether they are safe for the requested Services and will advise Buyer promptly of any situation it deems to be unsafe; (b) Supplier’s employees, contractors, subcontractors and agents (“**Supplier Personnel**”) will comply with all regulations that apply to the premises and may be removed from the premises at Buyer’s discretion; (c) Supplier Personnel will not possess, use, sell, transfer or be under the influence of alcohol or unauthorized, illegal, or controlled drugs or substances on the premises; and (d) to the fullest extent permitted by law, Supplier will indemnify and hold Buyer/Buyer’s Affiliates and Buyer’s customer, and their respective agents, successors and assigns, harmless from and against any liability, claims, demands or expenses (including reasonable attorneys’ and other professional fees, settlements and judgments) for damages to the property of or personal injuries to Buyer/Buyer’s Affiliates, its customer, their respective employees or agents, any Supplier Personnel, or any other person or entity to the extent arising from or in connection with Supplier’s work on the premises or Supplier’s use of Buyer’s/Buyer’s Affiliates’ or Buyer’s customer’s property. Supplier shall keep those portions of the premises where Supplier is performing work or Services clean of debris, and upon completion of the work shall leave the

premises clean and ready for use. If Supplier fails to clean up to Buyer's satisfaction, Buyer may do so and the cost will be charged to Supplier or deducted from the price of the Supply Agreement. Supplier will coordinate all work and Services to be performed at the Buyer's designated premises with the Buyer in advance to ensure that suitable power, materials handling equipment and other items are available.

**8. Documents and Data:** Supplier will provide Buyer at no additional cost to Buyer, with (i) a complete listing of recommended spare parts for the Equipment, (ii) operation, maintenance, and training manuals, and (iii) copies of the technical and mechanical specifications relating to the Equipment, including layouts, drawings, diagrams, software and models of the Equipment. Unless otherwise agreed in writing by Buyer, any and all documentation provided to Buyer shall be written in both English and Chinese. Supplier further agrees, at its own cost and expense, to ensure that any documentation provided to Buyer accurately reflects the description, design, specifications, etc. of the Equipment as of the Final Acceptance Date.

**9. Discontinued Product; Spare Parts:** Supplier shall make available to Buyer, for purchase at the prices set forth in the Supply Agreement, repair and replacement parts and service tools for each component of the Equipment, for a period of fifteen (15) years after the Final Acceptance of the Equipment by Buyer or such longer period as is set forth in the Supply Agreement.

**10. Insurance:** Supplier shall obtain and maintain at its expense, until the Final Acceptance Date and during the Warranty Period thereafter, the following minimum insurance policies with reputable insurers: (i) commercial general liability insurance, including coverage for product liability and completed operations arising out of or related to the Equipment or Supplier's performance under the Supply Agreement, with a per occurrence limit of not less than the equivalent of US\$2,000,000, and a general aggregate of not less than the equivalent of US\$10,000,000; (ii) employer's liability insurance of not less than the equivalent of US\$1,000,000 per person/per occurrence; and (iii) automobile liability insurance with a combined single limit of not less than the equivalent of US\$1,000,000 per occurrence for bodily injury and property damage covering use and operation of owned, non-owned and hired vehicles. Supplier shall name Buyer, its officers, directors, employees, or agents as additional insureds. Buyer is to be provided with certificates of insurance with respect to the required coverages.

**11. Additional Consequences of Termination:** Upon the expiration or termination (including cancellation) of the PO or the Supply Agreement for any reason each party will immediately stop using, and destroy or return to the other party, all items that contain any Confidential Information belonging to the other party, except Buyer may retain one copy of any Confidential Information necessary for the purpose of supporting the Equipment. Upon termination of the PO or the Supply Agreement, Supplier will: (a) promptly terminate all work under the Supply Agreement; (b) upon instruction from Buyer, transfer title and deliver to Buyer the Equipment free and clear of liens, claims and encumbrances; (c) verify and settle any claims by subcontractors for actual costs incurred directly as a result of the termination and ensure the recovery of materials in subcontractors' possession; (d) take actions reasonably necessary to protect property in Supplier's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and (e) upon Buyer's request, cooperate with Buyer in transferring the production of Equipment to a different supplier. Notwithstanding any other provision, Buyer will have no obligation for and will not be required to pay Supplier, directly or on account of claims by Supplier's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, finished goods, work-in-process or raw materials that Supplier fabricates or procures, or general administrative burden charges from termination of the PO or the Supply Agreement, except as otherwise expressly agreed in writing by Buyer. Supplier will furnish to Buyer, within one month after the date of termination, its termination claim, which will consist exclusively of the items of Buyer's obligation to Supplier that are expressly permitted by this Section 11 and GTCs. Buyer may audit Supplier's records before or after payment to verify amounts requested in Supplier's termination claim. Buyer will have no obligation for payment to Supplier under this Section 11 if Buyer terminates the PO or the Supply Agreement or any portion thereof because of a default or breach by Supplier.

**12. Preventative Maintenance:** Supplier will provide Buyer with a complete and comprehensive preventative maintenance plan for Equipment prior to the Final Acceptance at the facility designated by Buyer. The preventative maintenance plan shall include, without limitation, at least two (2) complete sets of maintenance and operating manuals for all Equipment purchased by Buyer, as well as a detailed bill of material. Supplier warrants to Buyer and its Affiliates, their respective customers, and their successors and assigns, that the Equipment will operate safely at quoted production rate and/or cycle times for the stated expected useful life if Buyer follows the preventative maintenance plan proposed by Supplier. Supplier will provide to Buyer upon request a complete copy of (i) the source codes for any software incorporated in the Equipment purchased by Buyer from Supplier along with any additional information reasonably necessary so that a trained programmer of general proficiency may maintain and support any such software and (ii) a running object code version of such software.

**13. Technical Representatives:** The issuance of advice, approvals, or instructions by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not bind Buyer except where an amendment to the Supply Agreement has been duly approved by Buyer in writing.

**14. Training:** Supplier will provide any and all necessary training and training materials (in a computerized format, if possible) to Buyer for the Equipment at the initial stage of installation, at no additional cost to Buyer, at Buyer's designated facility. Supplier will provide training in the amount and on such schedule as may be reasonably required by Buyer. Where Supplier obtains the Equipment or a portion of the Equipment from a third party for resale to Buyer, Supplier shall cause such third party to provide the training contemplated in this Section 14.

**15. Background Checks:** Buyer may require a background check of any of Supplier Personnel who perform work on the premises designated by Buyer, and Supplier hereby agrees to conduct such investigation in accordance with background check standards to be provided by Buyer, and shall at all times comply with all laws and regulations applicable to background investigations. Buyer shall keep the results of any such investigation confidential, and provide such information only to those persons with a business need to know, or as required by applicable law.

**16. Assignment & Delegation:** Supplier shall not delegate any work, obligations or duties hereunder, or assign any rights or claims under the Supply Agreement, without prior written consent of Buyer. Any attempted delegation or assignment will be void, without prior written consent of Buyer. Supplier will furnish to Buyer in writing all names and addresses of the persons or entities

(including those who are to furnish materials or equipment fabricated to a special design) proposed for the principal portion of the Equipment for Buyer's written approval. Supplier will not make a substitution for any subcontractor, person or entity previously selected without Buyer's written consent.

**17. Liens:** (i) Supplier waives and agrees not to assert any and all liens, rights, encumbrances or claims to any work, labor, services, products, parts, components, and/or materials furnished, and to be furnished, in connection with the Supply Agreement, the Equipment and the Services (collectively, "Liens"), and (ii) Supplier shall indemnify and hold Buyer, and its Affiliates harmless from any and all Liens. Supplier further agrees to ensure that all of its subcontractor agreements pertaining to the work provided under the Supply Agreement will contain corresponding waivers made by the Supplier's subcontractors and indemnification by the Supplier's subcontractors in favor of Buyer and any of Buyer's Affiliates. Such obligations provided herein will survive the expiration and termination (including cancellation) of the PO or the Supply Agreement. Supplier shall be responsible for payment in full for all work, labor, products, services, and/or materials provided by Supplier's subcontractors in its performance of the Supply Agreement. Any failure by Supplier to pay Supplier's subcontractors and to obtain the necessary Lien waivers may result in Buyer withholding any payment owed to Supplier under the Supply Agreement until such payment to Supplier's subcontractors is made and Lien waivers are obtained from Supplier's subcontractors. Such non-payment by Buyer will not be construed as a breach by Buyer under the Supply Agreement.

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