General Conditions for Procurement of Goods

1. Acknowledgement of Order

1.1 Supplier shall either reject or confirm in writing ("Acknowledgement of Order") a purchase order of Infineon Technologies Japan K.K. (hereinafter referred to as "Infineon") within five (5) working days of receipt of said purchase order or reject the purchase order within said five (5) working days. Failure to do so shall be deemed to be confirmed by Supplier ("Deemed Acknowledgement of Order"). Infineon shall be entitled to cancel the purchase order within five (5) working days upon receipt of the purchase order by Supplier or if Supplier has not rejected the purchase order within said five (5) working days. Each purchase order shall be made subject to the terms and conditions set forth or referenced herein and on attachments hereto ("Agreement").

1.2 If the Acknowledgement of Order differs from the purchase order, it shall be binding on Infineon only if the extension to the existing terms and conditions provided for in the purchase order in writing. All general conditions of Supplier shall be binding on Infineon only so far as they are consistent with Infineon's conditions or have been accepted by Infineon in writing. The acceptance of special services, such as software ("Deliverables") or the making of payments shall not imply acceptance of any conditions.

2. Licenses

Infineon Deliverables consist of and/or comprise software, documentation and/or specifications, Supplier grants to Infineon and its affiliated companies a non-exclusive, transferable, worldwide and timely unlimited right and license

1) to use, either directly or via such Deliverables (for provided software the delivery was in source code);
2) to use and/or reproduce such (modified or unmodified) Deliverables;
3) to distribute (including lease) and/or make available to the public such (modified or unmodified) Deliverables, provided the intended use of such Deliverables is the use on which Infineon was informed as such in the license agreement;
4) to have the rights granted under Sections 2.1 to ii) exercised by persons providing services related or incidental ("Authorized Representatives") Deliverables and/or Infineon and/or Infineon's affiliated companies persons licensed under Section 2.1; and
5) to sublicense the rights granted under Sections 2.1 to i) to their respective affiliates, distributors (both direct and indirect), and dealers, provided the intended use of such Deliverables is the use on and/or in connection with Infineon hardware.

2.1 All Supplier products and software, whether or not identifiable by means of an appropriate selection for Supplier's intellectual property rights to such Deliverables by using equivalent provisions for the sublicense as Infineon uses to protect its own intellectual property.

3. Time of Performance; Late Performance

For the avoidance of doubt, the delivery or performance or services related or incidental ("Deliverables") to be performed. In the customs invoice, the services and goods shall be detailed, Supplier shall show the value of goods separately from the value of the services performed or delivered products; or (ii) require implementation of additional measures at Supplier's expense. In case the purchase order refers to the delivery of goods and services, the customs invoice of the new item. Supplier shall apply due and proper care in keeping the new item at no cost to Infineon. If Infineon and Supplier agree, that supplier guarantees that no intellectual property rights conflict with the use of the Deliverables. Supplier shall, at Infineon's sole option and discretion, either correct such defects at his own expense, or provide new Deliverables free of defects ("Supplementary Performance"). Infineon's choice shall be made at reasonable costs and expenses. If Supplier is in delay with the delivery of the Deliverables. If Supplier has not delivered or performed the Deliverables before the agreed delivery or performance date, unless Infineon expressly agreed to such delay in performance or performance in advance.

4. Delivery; Transfer of Risk; Shipments of Performance

4.1 Any defects found in Infineon in connection with Infineon hardware; Supplier shall be responsible for any losses or damage caused resulting from the transport, storage or delivery of goods or services. This includes, e.g., without limitation, identification of applicable export control classification numbers applicable to all goods and services supplied by Supplier, and provide necessary documentation in a timely and complete manner.

4.2 The delivery of the goods which includes installation or erection and to services supplier shall pass onto Infineon upon time of acceptance by Infineon and to other supplies at the time of receipt by Infineon at the point of destination specified by Infineon, unless agreed otherwise.

4.3 Unless agreed otherwise, shipping costs shall be charged to Supplier. In case Incoterms are applicable, and it is shown that Infineon bears the costs of risk and transport, shipping costs shall be charged to Supplier. Incoterms are applicable.

4.4 If Infineon detects a defect prior to or upon the transfer of risk or during the warranty period, Supplier shall immediately inform Infineon and Infineon shall be entitled to withdraw from all or part of the Agreement and to claim damages.

5. Export Control; Customs

Infineon shall inform before or upon delivery about export control classification numbers applicable to all goods and services supplied by Supplier, and provide necessary documentation in a timely and complete manner. Infineon shall inform about the value of original and duplicate values, only in case the goods, equipment or materials, equipment or the like. Supplier shall embody with agreed Incoterms, and also provide to Infineon all information required to determine the mode of shipment. Any extra costs incurred for expediting shipment to meet a specific date. If the delivery of a clean room in a clean room packaging labelled with the part number and name. Each shipment shall contain packing slips and dispatch notes indicating contents, purchase order number and quantity.

5.1 Over-shipments are subject to prior written confirmation of Infineon.

6. Invoices

6.1 Invoices shall indicate the purchase order reference and the numbers of every single item. Invoices shall not be payable until this information is complete. Copies of invoices shall be made available for Infineon's inspection. Supplier shall be liable to Infineon for any errors or omissions. Infineon is using an electronic invoicing system. Supplier is obliged to use this system of payment. In case the invoice is incorrect or does not correspond to the purchase order, by Infineon or because of any other urgency.

7. Payment

7.1 Unless agreed otherwise, payment shall be effected within 60 (sixty) days from receipt of the invoice. The term of payment shall start with the date the Deliverables have been fully effected and a due date for payment shall be determined in a statement of the purchase order. If Infineon shall have the further right, without assigning any reason therefore, to terminate any work hereunder, in whole or in part, at any time. Infineon will inform Supplier about all requirements of electronic invoicing.

8. Inspection of Incoming Deliverables

8.1 Upon receipt of the Deliverables the Supplier shall, without undue delay inspect all incoming Deliverables and check whether they correspond to the quantity and type ordered and whether there are any externally visible transport damage or other externally visible defects. If Infineon discovers a defect, the Supplier shall notify Infineon. Supplier shall also be entitled to claim the liquidated damages due to a defect in Deliverables; the payment term shall start with the complete removal of the defect.

9. Liability for the Infringement of Intellectual Property Rights

Supplier guarantees that no intellectual property rights conflict with the use of the Deliverables provided in the Agreement. Supplier is obliged to ensure transit insurance according to the agreed risk transfer.

10. Warranty

The warranty period shall be 3 (three) years, unless the relevant laws and regulations provide for a longer warranty period or in agreement with the purchase order pursuant to Section 4.1.

11. Subcontracting to Third Parties

Supplier shall provide three parties received from Infineon, unless such information is of a general nature or was otherwise lawfully in his possession. Where Infineon has agreed to purchase orders being passed on to third parties, corresponding confidentiality obligations shall be imposed on such third parties in writing by Supplier.
the purchase order within such time as specified on the face of the purchase order or, if none is stated, 30 (thirty) days, and if the parties cannot agree upon the time within the amount of fair compensation to Supplier for such termination: i) Infringe will pay the price for all items reasonably completed in accordance with the purchase order and not previously paid for unless said item(s) is part of Supplier's ongoing commercial operations; and ii) Infringe will pay a fair and proper proportion of the price for items in process and for all materials acquired or contracted for within the time specified on the face of the purchase order for the purpose of fulfilling the purchase order which Supplier is unable to cancel, return or otherwise use in Supplier's operations.

Should infringe so desire, cancellation charges shall be subject to Infringe's audit at Infringe's expertise.

15.3 Infringe's ability to terminate the purchase order for cause shall be immediate and without prior written notice, in the event of any of the following by Supplier: i) a breach of any covenant, representation or warranty hereunder; ii) in the event of (a) any change in the active management or control of Supplier or (b) the sale, transfer or other disposition of all or substantially all of the assets of Supplier or any affiliate, division or unit of Supplier, either of which Infringe, in its sole discretion, believes may have an adverse effect on Supplier's ability to fulfill its obligations under the purchase order; or iii) any proceeding in bankruptcy, reorganization or arrangement for the appointment of a receiver or trustee to take possession of Supplier's assets or any other proceeding under any law for relief from creditors shall be instituted by or against Supplier (and such proceeding is not dismissed within the time period prescribed by the filing of a petition or (b) Supplier shall make an assignment for the benefit of its creditors. In such a case Infring should be entitled to use available equipment or Deliverables and services which have been provided by the Infringer in order to continue the work, in return for appropriate payment.

16. Compliance with Laws; Corporate Social Responsibility; Environmental Protection, Safety and Health (ESH); Audit

16.1 Supplier shall comply with all laws, rules and regulations applicable (including in the country of origin, country of receipt, country of shipment, and in the Infringe-identified country of destination, if provided) to the manufacture, sale and supply of the Deliverables or otherwise in performance of the Agreement, including without limitation laws, rules, and regulations regarding labor standards, safety and health, and protection of the environment. In addition, Supplier shall ensure that third parties according to Section 11 comply with these laws, rules, and regulations.

16.2 Furthermore, Supplier shall comply with the applicable version of the Supplier Code of Conduct of Infringe available through the following link: www.infrine.com/procurement. Infringe will notify Supplier in written or electronic form (e.g. through a web tool) of any updated applicable version of the Supplier Code of Conduct. Such updates shall be deemed to have been agreed by Supplier unless Supplier sends the objection to such update (including an explanation of such objection) in written or electronic form to Infringe within 15 (fifteen) working days upon its receipt. Supplier shall respect the principles of the UN Global Compact.

16.3 Supplier shall comply with the applicable ESH requirements and requirements regarding the employment of foreign personnel during the performance and fulfillment of the Agreement and at its cost be responsible for providing and securing any relevant permits or licenses required by applicable law.

16.4 In case that the Deliverables are classified as hazardous according to the latest version of the CLP regulation (EC) 1272/2008, Supplier shall be obliged to put the applicable labelling in place. Prior to the first delivery Supplier shall provide Infringe with a Material Safety Data Sheet (MSDS) according to the latest version of the REACH regulation (EC) 1907/2006. In case of any change an updated MSDS that highlights the changes shall be provided to the relevant procurement department of Infringe by Supplier. On request, Supplier shall provide Infringe with any additional information necessary to guarantee appropriate ESH measures. Radioactive substances shall be declared in advance. Supplier shall comply with any legal requirements related to dangerous goods including the European Dangerous Goods Transport Regulation (ADR) (in the ADR). In this respect, Supplier shall pay attention to the fact that labelling according to ADR can deviate from the hazardous substances labelling according to the latest version of the CLP regulation (EC) 1272/2008 and that the respective labels for dangerous goods are in place.

16.5 Infringe and/or any third party authorized by Infringe shall be entitled to conduct audits at Supplier's premises and production sites in order to verify Supplier's compliance with the requirements according to this Section 16.

16.6 In addition to Section 16.5 Supplier shall support any review, audit or investigation duly requested by the European Commission, European Court of Auditors and/or the European Anti-Fraud Office.

17. Declaration of Conformity (CE) and Radiation Safety

In case that the point of destination is located in a country within the European Union, Supplier shall ensure and warrants that the Deliverables, if they consist of or comprise units, machines, or equipment (or parts thereof) pursuant to the applicable laws and regulations, comply with the applicable CE requirements and are, if required, CE certified. Supplier shall provide a corresponding declaration of conformity to Infringe. In case any laws or regulations regarding to radiation safety requirements apply to the Deliverables, Supplier shall provide Infringe with the whole set of information necessary to obtain the respective radiation safety permits immediately after conclusion of the Agreement.

18. Indemnity

18.1 Supplier shall indemnify Infringe against any and all losses, damages, costs, claims, demands, expenses and liabilities whatsoever which Infringe may incur whether directly, or as a result of: i) personal injury or death of any person or in respect of any loss or destruction or damage to property attributable to any defect in the Deliverables or services or Supplier's performance of its supply obligations; and/or ii) any action, claim or demand of any third party by reason of any breach by Supplier of the Agreement or of any terms or obligations of any applicable law or regulation or contractual provision on the part of Supplier related to the purchase order or to the goods; and/or iii) any breach by Supplier of applicable laws in the performance of the purchase order. In case any performance of the purchase order is required within Infringe's premises, Supplier shall not use or hire anyone in contravention of any applicable laws and regulations in force and shall comply with all safety and security directives of Infringe at all times.

19. Withholding Tax

19.1 Withholding tax, where applicable under the prevailing tax laws shall be deducted from the payment due to Supplier and the balance of the payment shall be remitted to Supplier. The tax withheld shall be paid to the tax authorities by Infringe on Supplier's behalf and the relevant invoices issued by the tax authorities shall be returned by Infringe to Supplier in due course.

19.2 Supplier must support any claim for non-deduction of withholding tax with required documentation attached to the invoice. Infringe is obliged to withhold the full amount of withholding tax where required documentation is missing or inadequate, in the opinion of Infringe.

20. Applicable Law, Venue


20.2 The exclusive place of jurisdiction for all legal disputes arising out of or in connection with the Agreement shall be in the Tokyo District Court, Japan. However, nothing in the Agreement shall preclude either Party from seeking interim measures of protection in any court of competent jurisdiction.