5.2 Infineon has the right to audit Supplier's export control and customs procedures and measures.

4.5 Each shipment shall contain packing slips and dispatch notes indicating contents, purchase order number and quantity.

4.4 Shipments of Deliverables for use in a clean room shall be effected in a clean room packaging.

4.1 Any deliveries shall be made DAP pursuant to the purchase order according to Incoterms.

3.4 If Supplier fails to meet the agreed delivery or performance date for reasons for which Supplier is not responsible, Infineon shall have the right to liquidated damages amounting to 0.5 % (five tenths percent) of the total amount of the purchase order.

3.3 If a delay in the Deliverables or a Supplementary Performance pursuant to Section 9.2 (Supplementary Performance) occurs, Supplier shall compensate Infineon for depreciation in value or loss. This shall also apply to material tests, test certificates, quality related or other documents, the term of payment shall only start with receipt of all such documents by Infineon. In case of any delay or performance before Supplier is in delay, Supplier shall start with the agreed delivery or performance date or from the receipt of the duly issued invoice, whichever date is later. Discounts shall also be deductible if Infineon offsets payments against receivables or withholds payments of a reasonable amount due to a defect in Deliverables; the payment term shall start with the complete removal of the defect.

3.2 Supplier shall not be entitled to deliver or perform the Deliverables before the agreed delivery or performance date, unless Infineon expressly agrees to such delivery or performance in writing in advance.

3.1 For the purpose of determining the timeliness of supplies or of Supplementary Performance according to the purchase order, the relevant point in time shall be the date of receipt of the goods at the agreed delivery destination specified by Infineon. For the purpose of determining the timeliness of supplies which include installation or erection and for the performance of the services the relevant point in time shall be the date of receipt as agreed by Infineon.

3. Time of Performance; Late Performance

2.1 Insofar as Deliverables consist of and/or comprise software, documentation and/or materials, equipment or the like. Supplier shall further comply with agreed Incoterms, and also limitation, identification of applicable export control classification numbers as well as customs documentation and data together with the goods or services. This includes, e.g., without limitation, identification of applicable export control classification numbers as well as customs documentation and data together with the goods or services. In case the purchase order refers to the delivery of goods and services, the customs invoice of Supplier agreed otherwise.

2. Licenses

1.4 Acknowledgment or shipment of any part of the purchase order, or performance of the services called for by the purchase order, shall be deemed an acceptance of the purchase order by Supplier and a final agreement by both parties to be bound by and comply with all terms and conditions set forth or referenced herein and on attachments hereto ("Agreement").

1. Acknowledgement of Order

9. Warranty

9.1 The warranty period shall be 3 (three) years, unless the relevant laws and regulations provide for a longer warranty period. The warranty period shall commence with the delivery of the Deliverables pursuant to Section 4.1.

9.2, for these circumstances that justifiably support the assumption that Supplier is in delay with the delivery of the Deliverables.

9.7 Supplier shall be liable for damages resulting from a defect in Deliverables to the extent that the delay is caused by Supplier's fault. Supplier shall be liable for defects of Deliverables for a period of 3 (three) years from the expiry of the warranty period.

9.6 Supplier shall be liable to Liquidated damages amounting to 0.5 % (five tenths percent) of the total amount of the purchase order. If Infineon receives from Supplier neither a confirmation nor a rejection within 15 (fifteen) days after the agreed delivery or performance date, the payment term shall start with receipt of the invoices on its own costs. In such a case, Infineon will inform Supplier about all requirements of electronic recording.

8. Payment

7. Unless otherwise agreed, payment shall be effected within 60 (sixty) days net from receipt of the invoice.

6. Invoices

5. 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 marked as such.

4. In case of any delivery or performance before Supplier is in delay, Supplier shall start with the agreed delivery or performance date or from the receipt of the duly issued invoice, whichever date is later. Discounts shall also be deductible if Infineon offsets payments against receivables or withholds payments of a reasonable amount due to a defect in Deliverables; the payment term shall start with the complete removal of the defect.

3. Payment of Deliverables shall not be construed as an implied admission that the Deliverables comply with contractual terms.

2. Infineon may set against any sums due to the Supplier whether under this order or otherwise permitted by law.

1. Inspection of Incoming Deliverables

8.1 Upon receipt of the Deliverables, Infineon shall without undue delay inspect all incoming Deliverables and check that they correspond to the quantity and type ordered and whether there are any externally visible transport damage or other externally visible defects.

7.8 If Supplier discovers defects in Deliverables pursuant to Section 9.2 (Supplementary Performance), Supplier shall notify Supplier thereof. This shall also apply if Infineon discovers a defect at a later date.

6.8. If a delay in the Deliverables or a Supplementary Performance pursuant to Section 9.2 is expected to occur, Supplier shall immediately inform Infineon in writing.

5.8 If the cleaning of the recipient is caused by Supplier's fault, Supplier shall be liable to Infineon for damages caused by Supplier.

4.8 Infineon shall not be under any commitment to Supplier to make any more inspections and notifications than those specified above.

3.8 In case Supplier carries out Supplementary Performance pursuant to Section 9.2, for these circumstances that justifiably support the assumption that Supplier is in delay with the delivery of the Deliverables.

2.8 Supplier shall be liable to Liquidated damages amounting to 0.5 % (five tenths percent) of the total amount of the purchase order. If Infineon receives from Supplier neither a confirmation nor a rejection within 15 (fifteen) days after the agreed delivery or performance date, the payment term shall start with receipt of the invoices on its own costs. In such a case, Infineon will inform Supplier about all requirements of electronic recording.

1.8 Supplier shall be liable for damages resulting from a defect in Deliverables to the extent that the delay is caused by Supplier's fault. Supplier shall be liable for defects of Deliverables for a period of 3 (three) years from the expiry of the warranty period.
15.2 In addition to all of the other rights which Infineon may have to cancel the purchase order, Infineon may have the further right without prejudice to any other rights to declare invalid the fact that any work hereunder, in whole or in part, at any time. Infineon will not be liable to Supplier for any costs of or damages for SIAE’s acts in process or materials acquired or contracted for, if such costs were incurred more than the permitted number of days prior to the delivery dates as stated on the face of the purchase order or, if none is stated, 30 (thirty) days. If Infineon cancels the purchase order within such time as specified on the purchase order and such period is stated, 30 (thirty) days, and if the parties cannot agree within a reasonable time upon the amount of fair compensation to Supplier for such termination:

i) Infineon 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 deliverables; and

ii) Infineon 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 Infineon so desire, cancellation charges shall be subject to Infineon’s audit at Infineon’s expense.

15.3 Infineon’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 ownership 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 Infineon, in its sole discretion, believes will or could reasonably be expected to impair Infineon’s ability to fulfill its obligations under the purchase order;

iii) any proceeding in bankruptcy, reorganization or assignment for the benefit 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 60 (sixty) days from the filing date); or

iv) if Supplier shall make an assignment for the benefit of its creditors. In such a case Infineon shall be entitled to use available equipment or Deliverables and services which have already been provided by the Supplier 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 Infineon-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 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 currently applicable version of the Supplier Code of Conduct of Infineon available through the following link: www.infineon.com/procurement. In particular, Supplier shall not use or hire anyone in contravention of any applicable laws and regulations. Supplier shall indemnify and hold harmless Infineon from and against any and all claims and liabilities whatsoever which Infineon may incur whether direct 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 of 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 relevant 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.

16.3 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 on the goods. Prior to the first delivery Supplier shall provide Infineon with a Material Safety Data Sheet (MSDS) according to the latest version of the REACH regulation (EC) 1907/2006. In case of any change or an updated MSDS that highlights the changes shall be provided to the relevant procurement department of Infineon by Supplier. On request, Supplier shall provide Infineon 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 Regulations (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 in all places.

16.5 Infineon and/or any third party authorized by Infineon 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 relevant authorities.

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 make and warrants that the Deliverables, if they consist of or comprise units, machines, equipment or (parts thereof) pursuant to the applicable laws and regulations, comply with the applicable CE requirements and are, if required, CE marked. Supplier shall provide a corresponding declaration of conformity to Infineon. In case that any laws or regulations regarding to radiation safety requirements apply to the Deliverables, Supplier shall provide Infineon 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 Infineon against any and all losses, damages, costs, claims, demands, expenses and liabilities whatsoever which Infineon may incur whether direct 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 of 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 relevant 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 that the Deliverables are classified as hazardous according to the applicable laws related to hazardous substances, 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 Infineon at all times.

19. Withholding Tax

19.1 Each party will bear and account for its own taxes on its income to the relevant tax authorities. No party shall bear any liability for any taxes of any other party arising in connection with this transaction.

19.2 For payment made to overseas, any withholding taxes applicable under the prevailing laws of the People’s Republic of China for payment made hereunder 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 Infineon on Supplier’s behalf and the relevant tax receipts issued by the tax authorities shall be returned by Infineon to Supplier in due course.