General Conditions for Procurement of Services

1. Acknowledgement of Order
   Supplier shall consider any confirmation from Infineon in writing (“Acknowledgement of Order”) a purchase order of Infineon Technologies Manufacturing, Ltd. Philippines branch, Gateway Business Park, Brgy. Javalera, General Trias, Cavite, Philippines (“Infineon”) within 5 (five) working days upon receipt. In the event of any purchase order from Supplier neither a confirmation nor rejection within the time period set forth above, the purchase order shall be deemed to be cancelled. Should Supplier fail to inform Infineon that it has received or cancelled the purchase order within 5 (five) working days upon receipt of the purchase order by Supplier then Infineon shall consider Supplier not entitled to receive any remuneration for the services rendered. Supplier shall be bound by the provisions set forth in the Acknowledgement of Order and shall not be entitled to any further rights or compensation.

2. The Service to be provided, its nature and its requirements to be met shall be described in the purchase order.
   i) Unless agreed otherwise in the purchase order, Supplier bears the risk that the Service meets all the requirements set forth in the purchase order and requires acceptance by Infineon.
   ii) If the purchase order explicitly specifies that Infineon bears the risk of meeting the requirements of the Service and the ramification is based on the provision of the agreed resources, the parties may specify Service levels in the purchase order with certain portions of such remuneration being based on bonus/malus principles.

3. Supplier’s access to Infineon sites, networks and computing facilities requires Infineon’s prior written permission. Supplier shall not transfer the performance of the contractual obligations to freelance subcontractors without prior written consent from Infineon. Supplier agrees that it shall safeguard Infineon’s ownership and/or license rights in the Results as per applicable law for performing the Service.

4. Duties of Infineon
   1. Upon Supplier's request, Infineon will provide Supplier with the information necessary to render the services.
   2. From the purchase order as an Infineon provided item, shall be regarded as an item by Infineon. Infineon reserves the ownership to any Infineon provided item. All Infineon provided items are to be returned to Infineon upon Infineon request or upon completion or termination of the applicable Service, unless otherwise specified in the purchase order.
   3. Rules of Cooperation
      1. For each Service Supplier shall nominate in writing a representative who is well experienced and trained in the matters of the Service to be performed. Supplier shall maintain a position to take related decisions or to introduce them to Infineon.
      2. Infineon reserves the right to determine the technical details and the feasibility of all information and instructions necessary to perform the Service. Supplier should require additional documentation, computing time, software or hardware facilities only if and to the extent that additional resources are necessary to come in line again with the agreed dates and timelines.
   3. Any item identified in the purchase order as an Infineon provided item shall be deemed to be “as is” without any warranty and Supplier shall not rely on it. However, a reasonable time extension shall be granted to Supplier, if Supplier's delay is attributable to the Infineon provided item. Infineon reserves the ownership to any Infineon provided item. All Infineon provided items are to be returned to Infineon upon Infineon request or upon completion or termination of the applicable Service, unless otherwise specified in the purchase order.

5. Dates, Timelines and Liquidated Damages
   1. Supplier shall perform the services in accordance with the dates and time limits set forth in the purchase order. Supplier shall inform Infineon without delay in writing if Supplier anticipates or becomes aware of any failure to meet any date or timeline.
   2. Supplier acknowledges that time is of the essence and, therefore, Supplier shall not be entitled to invoke a non-compliance with this section for any failure to meet any date or timeline.

6. Rights to the Results
   1. All results (regardless of their form) achieved in the course of and/or in connection with Supplier’s services, including intellectual property rights (including copyrights) (“Results”) shall become the sole property of Infineon and Infineon Technologies Manufacturing, Ltd. Philippines branch, Gateway Business Park, Brgy. Javalera, General Trias, Cavite, Philippines (“Infineon”) within 5 (five) working days upon receipt of the purchase order by Supplier. Supplier acknowledges that time is of the essence and, therefore, Supplier shall not be entitled to invoke a non-compliance with this section for any failure to meet any date or timeline.
   2. The Results are to be submitted to Infineon and Infineon accepts a worldwide, non-exclusive, transferable, unrestricted and unlimited right of use (including the right to sublicense) with respect to such intellectual property rights as part of and/or underlying thereto.

7. Confidentiality, Site-Security, Data Protection and IT-Security
   1. All personal data or information that Infineon discloses to Supplier or that Supplier discloses to Infineon in the course of performing the Services, data and information including but not limited to the Results developed by Supplier under the Agreement (“Confidential Information”) shall be kept confidential at all times and shared with Infineon’s employees and/or suppliers to the extent that the disclosure is necessary for the performance of the Services and who and shall be bound to confidentiality by their employment agreements or otherwise. The obligations of the Supplier as per the above shall remain in effect for the period of performance or completion of the Services, however, shall not apply to any Confidential Information which
      i) Supplier can demonstrate, is already in the public domain or becomes available to the public through no breach by Supplier of this item;
      ii) was rightfully in Supplier’s possession without confidentiality obligation prior to receipt from Infineon or Supplier’s written record;
      iii) can be proved to have been rightfully received by Supplier from a third party without confidentiality obligation;
      iv) was independently developed by Supplier as proved by its written record;
      v) is required to be disclosed by law or the rules of any governmental organization.
   2. Supplier’s access to Infineon sites, networks and computing facilities requires Infineon’s prior written permission. Any such access may be made only for the purpose of performing the Services. Supplier shall comply with all security policies and standards currently in place. Supplier shall not disclose Confidential Information to anyone other than its employees or subcontractors who have a need to know the Confidential Information. Supplier shall be granted to Supplier, if Supplier’s delay is attributable to the Infineon provided item.
   3. Supplier shall inform Infineon without delay in writing if Supplier anticipates or becomes aware of any failure to meet any date or timeline.

8. Indemnification for Infringement of Proprietary Rights
   Supplier guarantees that the Services and/or any Result (including its application by Infineon) do not infringe any third party intellectual property rights (including copyrights).

9. Remuneration, Invoicing and Payment Terms
   1. The type of pricing and type of effect (e.g. fixed price, time and expense) will be specified in the purchase order.
   2. For Services, which are remunerated on time and expense basis, only such working hours shall be compensated which are actually worked and agreed in the purchase order.
   3. Supplier guarantees that the Services and/or any Result (including its application by Infineon) do not infringe any third party intellectual property rights (including copyrights).

10. Export Control and Customs
    Supplier shall inform Infineon before or upon delivery about export control classification numbers applicable to all goods and services supplied by Supplier, and provide necessary documentation and data together with the goods or services. Supplier shall ensure that no export control classification numbers as well as customs declaration information, such as Incoterms, clear product descriptions, harmonized system code number of the goods and services, and delivery address are included in the purchase order. Supplier shall be responsible for properly packing and labeling all goods and/or services. Supplier shall ensure that all materials, equipment or the like. Supplier shall fulfill all legal obligations concerning the processing of goods or services for export and declare the goods and services to the relevant authorities in accordance with applicable anti-terrorism and trade regulations.

11. Removal of the right to receive any advance payment.
    Supplier shall have the right to refuse to receive any advance payment, unless explicitly agreed in the purchase order in the event that Infineon is using an electronic invoicing system, Supplier is obliged to use this invoicing system for the invoices on its own costs. In such a case, Supplier will inform Infineon about all requirements of electronic invoicing.

12. Travel-related expenses
    The remuneration agreed upon in the purchase order covers all Services to be rendered by Supplier according to the purchase order.

13. Additional costs
    Amounts of 10% (ten percent) of the value of the associated purchase order. Supplier shall have the right to refuse to receive any advance payment, unless explicitly agreed in the purchase order in the event that Infineon is using an electronic invoicing system, Supplier is obliged to use this invoicing system for the invoices on its own costs. In such a case, Supplier will inform Infineon about all requirements of electronic invoicing.

14. Payment
    Supplier shall be compensated for all Services to be rendered by Supplier according to the purchase order.
10.4 In case the Services require the shipment of goods, the shipping-address is different to the billing address and the goods are subject to export authorization when being exported out of the relevant country, Supplier shall inform Infineon upon delivery accordingly and provide all relevant shipping data as in such case Infineon shall deliver the Services according to the applicable customs and export control laws.

10.5 Unless Infineon has approved otherwise, Supplier is responsible for the performance of the import customs clearance. In such case, Infineon will not refund Supplier's service charge to Infineon, any customs duties or service fees when importing or exporting goods. In case the Incoterm DDP is applied, Supplier is responsible for the import and the customs service provider and shall bear all related costs.

10.6 In case the purchase order refers to the delivery of goods and services, the customs invoice of the Supplier shall show the value of the services performed or to be performed. In the customs invoice, the services and goods shall be described in detail, including the place of performance.

In case Supplier cannot show the value of goods and services separately in the customs invoice, Supplier shall supply the goods according to the Incoterm DDP.

11. Compliance with Laws; Corporate Social Responsibility; Audit

11.1 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 provided) and all the other provisions of the Agreement, including but not limited to, lime limitations, laws, and regulations regarding labor standards, safety and health, and protection of the environment. In addition, Supplier shall ensure that third parties according to Section 2.4 comply with these laws, rules, and regulations.

11.2 Supplier shall ensure that:

i) Supplier timely pays all tax, fees (including statutory minimum wages);

ii) Supplier does not use any subcontractor that does not timely pay statutory minimum wages; and

iii) Neither Supplier nor its subcontractor uses a temporary employment agency that does not timely pay statutory minimum wages; and

iv) Neither Supplier nor its subcontractor is excluded from public procurement procedures.

Upon Infineon’s request Supplier has to provide documentation in this regard. In case of a breach of any of the above mentioned obligations Infineon is and Supplier shall compensate Infineon for any loss, damage or expenses which Infineon may incur whether directly, as a result of any dispute with Infineon only in relation to such individual Service, which gives rise to any such dispute.

11.3 Furthermore, Supplier shall comply with the currently applicable version of the Supplier Code of Conduct available on Infineon’s website through the following link: www.infineon.com/Procurement. Infineon 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 update shall be deemed to have been agreed by Supplier unless Supplier sends the objection within a reasonable time period determined by Infineon and upon unsuccessful expiration of such deadline terminate the Agreement.

11.4 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 11.

11.5 In addition to Section 11.4 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.

12. Termination of Agreement

12.1 Infineon may, in its sole discretion, terminate each contract at any time in whole or in part upon written notice, in the event of the following by Supplier:

i) Supplier shall not compensate Infineon and any loss, damages, costs, claims, demands, expenses and liabilities whatsoever which Infineon may incur whether directly or, as a result of:

a) the breach of any covenant, representation or warranty hereunder;

b) in the event of any change in the active management or ownership of Supplier or (or) 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 may have an adverse effect on Supplier’s ability to fulfill its obligations under the purchase order; or

(c) 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 relevant proceeding in any jurisdiction), Supplier has contributed thereto, as long as the damage or accident was not caused solely by Infineon;

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 any actual or alleged violation on the part Supplier of any applicable laws in relation to the purchase order, or to such Services and/or Supplier has made an assignment for the benefit of its creditors. In such a case Supplier shall be entitled to use available equipment or Deliverables and services which have already been provided by Supplier in order to continue the work, in return for appropriate payment.

13. Indemnity

13.1 Supplier shall indemnify Infineon against any and all losses, damages, costs, claims, demands, expenses and liabilities whatsoever which Infineon 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 arising out of or in connection with a damage or accident whether or not such damage or accident was solely caused by the Services or achieved results or Supplier has contributed thereto, as long as the damage or accident was not caused solely by Infineon;

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 any actual or alleged violation on the part Supplier of any applicable laws or requirements in force and shall comply with all safety and security directives of the Infineon at all times.

14. Withholding Tax

14.1 Withholding tax, where applicable under the prevailing tax laws of the Philippines 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 behalf and the relevant tax receipts issued by the tax authorities shall be returned by Infineon to Supplier in course.

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

15. Venue, Applicable Law

15.1 The Agreement shall be governed by and construed in accordance with the law in force in the Philippines without reference to its conflict of law provisions. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 shall be excluded. Nothing in this Agreement is intended to grant to any third party any right to enforce any term of the Agreement or to confer on any third party any benefits under the Agreement for the purposes of the Contracts (Rights of Third Parties) Act (Chapter 53B) and any replacement thereof, the application of which is hereby expressly excluded.

15.2 Any dispute arising out of or in connection with the Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("SIAC") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Singapore. The tribunal shall consist of one (1) arbitrator. The language of the arbitration shall be English.

16. Miscellaneous

16.1 Supplier may not assign the Agreement, transfer its obligations or assign its rights hereunder without the prior written consent of Infineon.

16.2 Supplier understands that Infineon relies on the uninterrupted availability of the Service and the immediate delivery of Results, reports or information. Therefore, Supplier may only exercise any right of retention, if and to the extent its counterclaims are not disputed by Infineon or are finally awarded by a court of competent jurisdiction, and

i) Supplier has provided Infineon with reasonable notice of the retention in writing at least ten days in advance.

Additionally, Supplier may exercise any rights or remedies it may have in connection with the Agreement, including any question regarding its existence, validity or termination, which are not disputed by Infineon or are finally awarded by a court of competent jurisdiction, and

ii) Supplier shall provide Infineon with written confirmation of the retention in writing at least ten days in advance.

16.3 None of the rights and remedies granted to Infineon under the Agreement shall be exclusive and prevent Infineon from rights and remedies granted under the Agreement or governing law.

16.4 Supplier shall not make any public announcement, press release, industry trade magazines announcement or other form of communication to the press regarding the collaboration between Infineon and Supplier without Infineon’s prior written consent.

16.5 The provisions of the Agreement may not be modified, amended, nor waived, except by a written instrument duly executed by the parties. The requirement of written form itself can only be waived by mutual written agreement.

16.6 The effectiveness of the Agreement shall not be impaired if any provision of the Agreement should be or become invalid or unenforceable. In such case, the parties shall agree on a provision that meets the economical intention of the invalid or unenforceable provision.

16.7 In case Infineon terminates the Agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous communications, discussions, understandings, agreements and negotiations between the parties with respect to such subject matter hereof.