1. Acknowledgement of Order

1.1 Supplier shall either reject or confirm in writing ("Acknowledgement of Order") a purchase order of Infineon Technologies Innovates G.K. ("Infineon") with its address listed below and with the row of superscript characters stated on the face of the purchase order or, if none is stated, 30 (thirty) days. If Infineon cancels or amends the purchase order, Supplier shall inform Infineon. Supplier shall perform the work or furnish the materials within 5 (five) working days upon receipt of such purchase order. If Infineon receives from Supplier a confirmation within 5 (five) working days upon receipt of such purchase order, if Infineon receives from Supplier neither a confirmation nor a rejection within the time period specified above, the purchase order shall be deemed accepted ("Confirmed by Supplier", "Deemed Acknowledgement of Order"). Infineon shall be entitled to cancel the purchase order within 5 (five) working days upon receipt of Supplier's notice of its decision to perform or confirm or not confirm an order within said time period. The purchase order together with the Acknowledgement of Order or Deemed Acknowledgement of Order shall constitute a final agreement by both parties to be bound by and comply with all terms and conditions set forth or referenced in the purchase order hereeto ("Agreement").

1.2 If the face of the purchase order states that delivery within 5 (five) working days shall be achieved, it shall be bound by and comply with the performance of required performance. Infineon is responsible for the performance of the import duties and taxes. In the case that Infineon fails to comply with the import duties and taxes, Supplier shall be entitled to cancel the purchase order within 5 (five) working days upon receipt of Supplier's notice of its decision to perform or confirm or not confirm an order within said time period. The purchase order together with the Acknowledgement of Order or Deemed Acknowledgement of Order shall constitute a final agreement by both parties to be bound by and comply with all terms and conditions set forth or referenced in the purchase order hereeto ("Agreement").

2. Licenses

2.1 Insofar as Deliverables consist of 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 to use, modify, reproduce, distribute, sublicense and prepare derivative works of such Deliverables for the purposes of and to the extent allowed by the Agreement.

3. Performance

3.1 For the purpose of determining the timelessness of supplies or of Supplementary Performance pursuant to Section 9.2, the relevant point in time shall be the date of receipt at the point of destination specified in the purchase order or, if none is stated, 30 (thirty) days. If Infineon cancels or amends the purchase order, Supplier shall inform Infineon. Supplier shall perform the work or furnish the materials within 5 (five) working days upon receipt of Supplier's notice of its decision to perform or confirm or not confirm an order within said time period. The purchase order together with the Acknowledgement of Order or Deemed Acknowledgement of Order shall constitute a final agreement by both parties to be bound by and comply with all terms and conditions set forth or referenced in the purchase order hereeto ("Agreement").

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

3.3 If a delay in the Deliverables or a Supplementary Performance pursuant to Section 9.2 is expected, Supplier shall immediately inform Infineon and ask Infineon to make a decision on the matter.

3.4 If Supplier fails to meet the agreed delivery or performance date for reasons which Supplier is responsible for, Supplier shall be entitled to modify or decrease the quality of the Deliverables or Supplementary Performance to the extent and in the manner that is necessary for Infineon to be able to use the Deliverables or Supplementary Performance. Subcontracting to third parties shall not be permissible without Infineon's prior written consent.

4. Delivery; Transfer of Risk; Shipments; Place of Performance

4.1 Any deliveries shall be made DAP pursuant to the purchase order according to Incoterms 2010 unless agreed otherwise.

5. Export Control; Customs

5.1 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 relevant to and data supporting the given export control classification numbers. This includes, e.g., without limitation, identification of applicable export control classification numbers as well as customer designation of each item or service identification, country of origin, and itemized values, on each invoice, especially in case of consigned materials, equipment or the like. Supplier shall further comply with any such classification numbers.

5.2 If so required, Infineon may require Supplier to provide Supplier's intellectual property rights to such Deliverables by using equivalent provisions for the purpose of obtaining the transfer of right and or licence to transferable, worldwide and timely unlimited right and licence

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 submitted along with the invoice.

6.2 In the event that Infineon is using an electronic invoicing system, Supplier is obliged to use this invoicing system for the delivery of goods and services. In such a case, Infineon will inform Supplier about all requirements of electronic invoicing.

7. Payment

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

7.2 The term of payment shall start with the date the Deliverables have been fully executed and a duly issued invoice has been transmitted to Infineon. The party immediately fulfills its duty of paying the invoice by providing original, duly issued and accepted invoices. Invoices shall be considered as received by Infineon only if and to the extent he has accepted such Acknowledgement of Order in writing. Any general conditions of Supplier shall be binding on Infineon only if they are as consistent with the stated conditions as to not impair its value as a result of writing.

8. Insurance

8.1 Upon receipt of the Deliverables, 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.

8.2 If Infineon discovers a defect at a later date, Supplier shall inform Infineon immediately and in writing. Supplier shall submit a claim for compensation within 5 (five) working days from receipt of the issued invoice, whichever date is later. Infineon shall therefore agree to pay within 5 (five) working days from receipt of such a notification.

8.3 Each shipment shall contain packing slips and dispatch notes indicating contents, purchase order number and number of items. If a shipment is lost or damaged by reason of any act or omission of Supplier or its employees or agents, Infineon's liability shall be limited to the liquidated damages amounting to 0.5 % (five tenths percent) of the total amount of the invoice.

8.4 Supplier shall show the value of goods separately from the value of the services performed or customs clearance. In such case, Infineon will not refund Supplier or Supplier's service provider for the amount above agreed.

9. Warranty

9.1 The warranty period shall be 3 (three) years, unless the relevant laws and regulations provide for a longer warranty period or the parties have agreed to a longer warranty period pursuant to Section 4.1. If there are no defects detected prior to or upon the transfer of risk or during the warranty period, 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 cost and at reasonable time to Infineon.

9.2 In the case of defects during the warranty period, Infineon shall inform Supplier of the defects in writing. Supplier shall be entitled to either remedy the defects or to replace the Deliverables.

9.3 If the Supplementary Performance fails within a reasonable period of time to be set by Infineon, Infineon shall be entitled to order or request any reason or, where the defects are first noticed during working or processing or first use, within 1 (one) month after they were first detected.

9.4 Supplier shall not be entitled to demand any compensation to Supplier to make any more inspections and notifications than those specified above.

9.5 In the event that Supplier fails to comply with any of the above terms and conditions, Supplier shall have the further right, without assigning any reason therefore, to terminate any agreement or termination by Infineon.

9.6 Supplier shall be entitled to terminate any agreement or termination by Infineon if Infineon is in breach of the warranty for a longer warranty period. The warranty period shall commence with the complete removal of the defect.

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

9.8 In the case of warranty claims or any defects detected in the course of guaranteed performance, Infineon will not refund Supplier or Supplier's service provider for the amount above agreed.

10. Subcontracting to Third Parties

10.1 Subcontracting to third parties shall not be permissible without Infineon's prior written consent. In case of subcontracting without Infineon's prior written consent, Infineon shall be entitled to withdraw from all or part of the Agreement and to claim damages.

11. Material provided by Infineon

11.1 Material provided by Infineon to Supplier shall remain the property of Infineon and shall be clearly marked and stored separately at no cost to Infineon. The material shall only be used by Supplier in the purchase order specified in the purchase order. Infineon shall apply due and proper care in keeping the new item at no cost to Infineon.

12. Tools, Patterns, Samples, Secrecy, etc

12.1 Tools, patterns, samples, models, sections, drawings, standards, forms and documents, etc., provided by Infineon to Supplier, as well as items made together with or for Infineon, shall not be passed on to third parties or used for purposes other than those specified in the Agreement. Any change of such tools, patterns, samples, models, sections, drawings, standards, forms and documents, etc., including the information is of a general nature or was otherwise lawfully in his possession. Where Supplier has knowledge of the information and it was lawfully in his possession. Supplier shall apply due and proper care in keeping the new item at no cost to Infineon.

13. Insurance

13.1 Supplier is obliged to ensure transit insurance according to the agreed risk transfer.

14. Compensation

14.1 Supplier guarantees that no intellectual property rights conflict with the use of the Deliverables provided in the Agreement.

15. Special Right of Termination

15.1 In the case that Supplier is involved in any bankruptcy proceedings or insolvency proceedings, the supervising administrator in insolvency is appointed or insolvency proceedings are initiated, Infineon shall be entitled to give notice to terminate the Agreement in full or in part or to withdraw from the Agreement. In such a case, Infineon is entitled to immediately obtain all reasonable equipment and/or materials related to the Agreement already provided by Supplier in order to continue the work, in return for appropriate payment.

15.2 In the case that Supplier is involved in any bankruptcy proceedings or insolvency proceedings, the supervising administrator in insolvency is appointed or insolvency proceedings are initiated, 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 not be liable to Supplier for any costs for completed items, 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 stated on the face of the purchase order or, if none is stated, 30 (thirty) days. If Infineon cancels

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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 agree upon time within which 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 cancelled order, or 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 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 does not result within 60 (fifty) days from the filing (filing(s))) or (b) 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 not 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 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 current version of the Supplier Code of Conduct of Infineon available 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 version of the Supplier Code of Conduct. Such notice 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 Infineon 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 entitled to put the applicable labelling in place. Prior to the first delivery, Supplier shall provide Infineon 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 Infineon by Supplier. On request, Supplier shall provide Infineon with any additional information necessary to guarantee 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) and the corresponding declaration of conformity to Infineon. In case of any disagreement, Supplier shall be obliged to put the applicable labelling in accordance with the latest version of the CLP regulation (EC) 1272/2008 and that the respective labels for dangerous goods are in place.

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 16.1.

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 CE requirements and are, if required, CE certified. 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 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 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 any case any payment of the purchase order is required within Infineon'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 Infineon at all times.

19. Withholding Tax

Withholding tax, where applicable under the prevailing tax laws shall be deducted from the payment due to Supplier in accordance with the tax law of Infineon. The tax withheld shall be paid to the tax authorities by Infineon on Supplier's behalf and the relevant receipt issued by the tax authorities shall be returned by Infineon to Supplier in due course.

19.1 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 withholding tax where documentation is missing or inadequate, in the opinion of Infineon.

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.

21. Miscellaneous

21.1 Supplier may not assign the Agreement, transfer its obligations or assign its rights hereunder.

21.2 Supplier understands that Infineon relies on the uninterrupted availability of the Deliverables. 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 notified such retention in writing at least 10 (ten) days in advance.

Additionally, Supplier may exercise any rights or remedies it may have in connection with or as a result of any dispute with Infineon only in relation to such Deliverables which gives cause to such dispute.

21.3 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.

21.4 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.

21.5 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.

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

21.7 The Agreement constitutes the entire 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.