



General terms and conditions of purchase

GENERAL TERMS AND CONDITIONS OF PURCHASE APPLICABLE TO ALL ORDERS FROM TIDELAND SIGNAL MANUFACTURING LLC, HOUSTON, TEXAS, USA, HEREINAFTER: "TSM", FOR THE MANUFACTURING, DELIVERY, ASSEMBLY, INSTALLATION, REVISION AND/OR REPAIR OF ANY GOODS.

1. GENERAL

1.1 All orders from TSM to the other party (hereinafter: the "Supplier") for the manufacturing, delivery, assembly, installation, revision and/or repair of any goods or the provision of related services by the Supplier (hereinafter: "Supplies" and "Orders" respectively) and all relevant agreements with TSM are subject to these terms and conditions (hereinafter: the "Terms"). Any agreement(s) between TSM and the Supplier of which these Terms are thus an integral part are hereinafter referred to as: "Agreement(s)".

1.2 These Terms supersede all prior negotiations, representations, and/or agreements, either written or oral, between TSM and Supplier (hereinafter separately "Party" and jointly: the "Parties").

1.3 If there is a conflict between these Terms and any (provision(s) in an) Order or any other correspondence relating to any Order, then these Terms shall prevail.

1.4 The applicability of any supply, general or similar terms and conditions of the Supplier is hereby expressly excluded.

1.5 Provisions which deviate from these Terms can be invoked by the Supplier only if and to the extent that these provisions have been accepted by a duly authorized TSM representative in writing.

1.6 If, for any reason whatsoever, any part of these Terms is invalid, the remainder of the conditions shall remain in force and the Parties will, in mutual consultation, provide a regulation in substitution for the invalid stipulation, the purport of which shall be maintained to the maximum extent possible. The language in all parts of these Terms shall in all cases be construed simply according to its fair meaning and not strictly for or against either Party. The provisions of these Terms, as well as any statements made by the Parties in connection with any Agreements, shall be interpreted in good faith.

1.7 TSM reserves the right to unilaterally change these Terms at its sole discretion. Such changes shall take effect if and when these have been notified in writing and/or via e-mail to the Supplier. If the Supplier does not wish to accept such change in these Terms, it must inform TSM of its non-acceptance within 14 (fourteen) calendar days of receipt of the notice and terminate the Agreement, failing which the changes in these Terms so notified shall take effect.

1.7 TSM acts solely in its own name and for its own account. TSM does not represent nor bind any other legal entity unless this is explicitly and specifically evidenced by a written mandate duly signed by an authorized representative of that other entity.

2. OFFERS, ORDERS, AND AGREEMENTS

2.1 Nothing in these Terms or in the Agreement shall oblige TSM to place an Order with the Supplier nor shall anything imply that Supplier is the exclusive provider of Supplies. TSM may procure Supplies from any party it deems fit. Nothing in the Agreement should be interpreted as a requirements contract or a "take-or-pay" contract. TSM does not make any minimum fee or volume commitment under the Agreement.

2.2 The Order is only capable of fulfilment by the Supplier named in the Order, irrespective of who actually receives such Order. Should an Order be received by a party who is not the intended recipient for any reason whatsoever, including, without limitation, the negligence of TSM, such recipient shall not be entitled to fulfil the Order.

2.3 The Supplier shall indicate its willingness and ability to fulfil the Order within 2 (two) business days after having received the Order by sending an order confirmation in writing to the authorized person who placed the Order on behalf of TSM. By indicating its willingness and ability to fulfil an Order placed by TSM, the Supplier accepts and agrees to be bound by the Terms. If Supplier cannot meet the terms set forth in an Order, Supplier will inform TSM and propose alternative terms. If TSM accepts those alternative terms, TSM shall issue a revised Order. An order confirmation must at least contain: price, quantity, delivery date, delivery address, TSM order number, product description, drawing and revision number (if applicable) and a date.

2.4 A valid and binding Agreement between the Parties shall come into existence at the time when and place where (i) TSM provides written acceptance (which may occur by TSM issuing an Order number to the Supplier in respect of the Order or otherwise via electronic data interface) and (ii) Supplier fails to object within 2 (two) business days after receipt of TSM's written acceptance or (iii) when Supplier commences or continues delivery of Supplies referenced in the Order ("Order Acknowledgement"). Each Order shall create a separate Agreement. Notwithstanding the foregoing, the breach of any one such Agreement shall constitute a breach of any or all Agreements.

2.5 TSM may at any time require modifications of any Order. TSM has the right to change the packaging, shipping date or the time or place of delivery for any Supplies. If requested modifications would result in change to Supplier's costs or a delivery delay, Supplier shall notify TSM immediately. If an Order Acknowledgement has already been issued, the Parties shall agree on a reasonable and equitable adjustment of the Order. Any proposed alteration of Supplies or the Order by Supplier requires written consent of a duly authorized TSM representative.

3. PRICES, DELIVERY TIME AND DELIVERY

3.1 The prices as stated in the Order are firm and not subject to change for the validity period of the referenced quotation or agreed terms except for any written variation approved and signed by a duly authorized TSM representative.

3.2 Supplier will deliver the Supplies in strict accordance with the terms of the Agreement. Delivery shall be DDP Incoterms® 2020 TSM's site Houston, Texas, USA unless stated otherwise in TSM's Order or in any written variation, approved and signed by a duly authorized TSM representative, in which case different delivery terms are limited to that specific Order.

3.3 The Supplier shall deliver or perform the Supplies at the times specified in the

Order, during normal working hours (unless otherwise agreed in writing). Time for delivery and other performance by the Supplier shall be of the essence for each Order. The Supplies may not be delivered or performed earlier or later than the due delivery or performance date, otherwise TSM may reject those. Partial deliveries require TSM's prior written approval and any such deliveries without that prior written approval will be treated as Non-Conforming Products.

3.4 The Supplier shall deliver the Supplies properly packed and secured. Each package should be plainly marked with the Supplier's name and the delivery address stated on the face of the Order and include a packing list with TSM's order number, delivered quantity, shipping date and product description.

3.5 All deliveries must be acknowledged by a delivery note dated and signed by a duly authorized representative of TSM (the date on the delivery note shall hereinafter be referred to as: "Delivery Date") and Supplies are to be off-loaded only in accordance with such representative's instructions. TSM shall not pay for any Supplies for which no valid delivery note exists.

3.6 The Supplier shall not charge for the return of any packaging relating to the Supplies including without limitation packing cases or empties (hereinafter: "Packaging"). If the Supplier notifies TSM in its quotation and on its invoices that Packaging is returnable and gives the address to which they should be sent, every effort shall be made by TSM to return such items at the Supplier's expense and risk. If instructions for the return of Packaging are not given by the Supplier to TSM when Supplies are received, TSM may without notice to the Supplier dispose of the packaging and no credit shall be allowed to the Supplier in respect thereof.

3.7 Any Supplies that should not have been delivered shall be held at the Supplier's sole risk or will be returned carriage forward, and TSM shall be entitled to charge the Supplier and be paid for all expenses including without limitation all labor and packing expenses incurred in the return of the Supplies that should not have been delivered.

3.8 If Supplier is unable to comply with the delivery date set out in the Order, Supplier shall inform TSM without delay and TSM will be entitled to (i) cancel the Order in respect of the Supplies undelivered on the Delivery Date and for any other Supplies already delivered which cannot be effectively and commercially used by reason of such non-delivery or non-performance, to (ii) recover from Supplier any expenditure reasonably incurred by TSM in connection with the delay or failure to supply, including but not limited to costs of containment, expedited or air freight, sorting, repair, replacement, cure, cover or similar costs incurred by TSM and (iii) TSM may in its sole discretion seek liquidated damages for delay equal to 1 % (percent) of the total price of delayed or unusable Supplies per week of delay, up to 10% (percent) of the total price for that Order. Liquidated damages are not an exclusive remedy and TSM retains all other rights and remedies available under the Agreement, at law and in equity.

4. QUALITY AND VERIFICATION

4.1 The Supplies shall:

- be of new and sound materials and of sound workmanship and conform as to quality, quantity, description and in all other respects with any agreed samples and with the particulars stated in the Order and any specification or other document referred to in the Order; and
- be provided with all due care and skill; and
- shall include all requisite materials, accompanying drawings, test certificates and installation and operation manuals.

4.2 If the Supplies fail to meet: (a) the requirements of section 4.1; (b) any of the Supplier's warranties (express or implied); or (c) TSM's instructions, specifications, drawings, and data, TSM may, without liability, at any time reject or refuse to accept and return, at the Supplier's expense, all or any Supplies and the Supplier shall immediately upon receipt of a written notice from TSM return any payments made by TSM for those Supplies. Payment for any Supplies shall not be deemed an acceptance thereof.

4.3 Any TSM authorized representative shall be afforded the right to verify at source that Supplies conform to specifications and other requirements of the Order. Such verification shall not absolve the Supplier from any of its responsibilities under the Order nor affect TSM's right to reject Supplies nor shall such verification be used by the Supplier as evidence of effective control of quality.

5. RISK AND TRANSFER OF OWNERSHIP

Ownership, risk, and title in and to the Supplies shall pass to TSM on acceptance of delivery of the Supplies as per the specified Incoterms® on the Delivery Date as set forth in section 3.5 above, provided that acceptance shall not denote sign-off of quality assurance of the Supplies by TSM.

6. PAYMENT AND SECURITY

6.1 The Supplier shall invoice TSM upon delivery as per the specified Incoterm. Supplier shall submit invoices in auditable form in compliance with generally accepted accounting principles and the applicable local mandatory law. Invoices shall be in singular, bearing the Supplier's name, address and contact person, contact details, invoice date, invoice number, Order number and the address of origin of the Supplies to the address shown on or in the Order (or alternatively if no address is shown, then the address from where the Order originated) on the day on which the Supplies are dispatched. TSM's official Order number must be quoted upon all delivery notes and invoices. Furthermore, Supplier shall include the following information on the invoice: quantity, model number, SKU or other specifications indicating the Supplies, price (total amount invoiced) currency, tax or VAT amount, Authorized Economic Operator and or Approved Exporter Authorization number and/or other customs identification number, if applicable, and payment terms as agreed between the Parties. Failure to do so will absolve TSM of any obligation to pay such invoice until receipt of an invoice bearing the correct TSM Order number and terms of payment will likewise commence to run only on receipt



of such invoice bearing TSM's correct Order number.

6.2 Unless otherwise requested in writing by a duly authorized TSM representative, Supplier must send invoices in electronic format to the billing address specified by TSM.

6.3 To the extent permitted by applicable law and unless otherwise specifically agreed to in writing by both Parties, TSM will pay correct invoices within 75 (seventy-five) calendar days after receipt and acceptance of the Supplies in accordance with section 3.5 and the invoice. Payment shall be made in a manner determined by TSM.

6.4 TSM shall on no account accept liability for Supplies provided without an Order.

6.5 The Supplier shall be responsible for obtaining at its expense any import or export license(s) or government consents which may be necessary for the provision of Supplies pursuant to an Order. If Supplier is subject to withholding tax in Texas, that tax shall be for Supplier's account. If applicable, or TSM would be so required, TSM will deduct that withholding tax from the amount due to the Supplier, and pay the withholding tax, on behalf of the Supplier, to the responsible authority. TSM will provide Supplier with a tax receipt for any withholding tax paid, pursuant to this section 6.5. TSM shall pay VAT, if levied.

6.6 TSM reserves the right to set off payment of invoices against any amounts owed by Supplier to TSM under any Agreement.

6.7 The Supplier warrants that the Supplies comply with all relevant statutory requirements. In particular and not by way of limitation, the Supplier shall comply with all relevant health and safety legislation and ensure that Supplies that are potentially dangerous to health or safety are delivered only in suitable protective packaging or containers and that the external surface of such packaging and/or containers are clearly labelled so as to indicate any hazards to health and safety involved in handling and using the Supplies and as to the method of safe handling of the Supplies.

6.8 A copy of any information relating to the safety aspects or proper use of the Supplies should be sent to TSM under separate cover.

6.9 The Supplier shall be responsible for ensuring that any of its employees (Supplier's Employees as defined in section 13.1) or other persons carrying out the Order who enter TSM's premises are suitably clothed and issued with correct and safe protective equipment, that they are duly warned of hazards which they may encounter on TSM's premises and that they adhere to all health and safety at work rules and regulations which are applicable from time to time.

7. WARRANTY

7.1 Supplier warrants that: (i) the Supplies conform in all respects to the express warranties made by Supplier to TSM; (ii) the Supplies are free from defects in title, labor, materials, services, manufacture, and design; (iii) the Supplies conform to the Order and TSM's specifications, samples, drawings, data and all other applicable standards of quality and performance; (iv) the Supplies comply with all governmental requirements that may apply to the design, production, sale, or distribution of the Supplies; (v) the Supplies are new and unused at the Delivery Date and fit and suitable for the purposes and use intended by TSM; and (vi) any services that are part of the Supplies will be performed with all appropriate skill and care in accordance with industry best practice and in compliance with all governmental requirements that apply to such services. TSM's acceptance or use of, or payment for, the Supplies does not diminish Supplier's warranty obligations. The warranty period for Supplies is 60 (sixty) months from the Delivery Date (the "Warranty Period"). If the Supplies do not conform with the above warranties ("Non-Conforming Products" and "Non-Conforming Services"), Supplier shall, at TSM's option: (1) repair or replace Non-Conforming Products or re-perform Non-Conforming Services within 48 (forty-eight) hours; or (2) issue a credit note for the corresponding amount or refund the purchase price. If a Non-Conforming Product is repaired or replaced or a Non-Conforming Service is re-performed, the Warranty Period shall restart. Supplier shall pay for or reimburse TSM for all costs including but not limited to labor (direct and indirect), materials and transportation: (a) to return, store, or dispose of any Non-Conforming Products; (b) to inspect, sort, evaluate, and/or disassemble any Non-Conforming Products wherever located; (c) to transport and install replacement product(s); (d) to repair and rework Non-Conforming Products if Supplier is unable to repair or replace the same to meet TSM's time and quantity needs; and (e) costs incurred in performance of value-added or installation activities prior to discovery of the non-conformity; and (f) an administrative fee equivalent to USD \$300 per claim. Where the Supplier fails to provide such remedy, TSM may remedy or have remedied the defect or non-conformance at the cost of the Supplier.

7.2 If during the Warranty Period the Supplies are found to be defective or non-conforming as aforesaid, TSM may alternatively and without liability cancel the Order and reject any or all such defective or non-conforming Supplies and also any other Supplies already delivered or performed, and the Supplier shall thereupon repay any sums already paid by TSM in respect of Supplies so rejected or then not delivered or performed.

7.3 Without prejudice to TSM's rights under sections 7.1 and 7.2 hereof, if during the Warranty Period and within 2 (two) years of its expiry, there should develop an epidemic of defects or non-conformities, the Supplier agrees to study and review such failures or non-conformities together with TSM and to indicate steps or recommendations which, in the Supplier's reasonable judgment would remedy the same. Subject to mutual agreement on a plan of action, the Supplier shall at its own cost effect the remedy of the defects and non-conformities of the Supplies. Where the Supplier fails to provide such remedy, TSM shall be entitled to remedy or have remedied the defect or non-conformance at the cost of the Supplier. TSM may reject deliveries of Supplies until the source of the defects and non-conformity has been cured.

8. FORCE MAJEURE

In the event that war, fire, explosion, flood, riot, refusal of license (where application has been filed in an appropriate and timely fashion) or other governmental acts or a natural disaster, in each case beyond the reasonable control of a Party, delays or stops a Party's performance hereunder, then that performance will be excused while the force

majeure event continues, without liability, provided that the Party unable to carry out its obligations hereunder has first notified the other Party of the delay, the reason for the delay, consequences of the delay, and the likely duration of the delay promptly after it is aware of the beginning of any excusable delay.

The Party excused from performance shall use its best efforts to eliminate the cause of the force majeure event and resume performance of its obligations hereunder with the least possible delay.

TSM shall at its option be excused from accepting or paying for the Supplies for the duration of the cause. TSM may cancel the Order or any portion of it without liability in the event of more than 14 (fourteen) calendar days' delay in delivery or performance of the Supplies for any such cause and in such event the Supplier shall immediately repay to TSM any sums paid by TSM for Supplies not retained by TSM.

9. INTELLECTUAL PROPERTY RIGHTS AND PROPRIETARY INFORMATION

9.1 The Supplier shall fully indemnify TSM and its customers against all liabilities, losses, costs, and expenses including but not limited to legal fees, arising from any infringement, or alleged infringement, of any patent, copyright, design, trademark, trade name or other intellectual property right of any third party by the possession, use, sale or other exploitation of the Supplies.

9.2 Drawings, specifications, photographs, and other engineering and manufacturing information or proprietary information disclosed by TSM ("Proprietary Information") are and will remain TSM's property. Supplier shall not disclose Proprietary Information to any third party, and Supplier shall return all Proprietary Information (and all copies of same) to TSM upon completion of the Order or upon TSM's demand. Supplier shall use Proprietary Information solely for Supplier's performance of the Order and Supplier shall not, without prior written consent by a duly authorized TSM representative, directly or indirectly use any information derived or otherwise obtained from use of the Proprietary Information in performing services or providing products for any other customer. If TSM requests that Supplier specially manufactures, develops, or designs Supplies for TSM, Supplier agrees that any resulting designs, drawings, blueprints, plans, specifications, data, business information, or other materials used to develop and design said Supplies are and will be owned by TSM, including any intellectual property rights therein, and Supplier hereby assigns all of its rights, title and interest in and to such Supplies to TSM. Supplier agrees that such results, materials, and rights may be used exclusively and without restriction by TSM for any purpose whatsoever.

10. ASSIGNMENT & SUBCONTRACTING

10.1 Supplier shall not assign, transfer or delegate (whether by operation of law, merger, change of control, sale of assets, or otherwise) any of its rights or obligations under the Agreement without TSM's express prior written consent. Subject to the foregoing, the Agreement inures to the benefit of and is binding upon the Parties and their successors and permitted assigns.

10.2 Approval of TSM to any subcontract shall in no way relieve the Supplier of any of its obligations under the Agreement.

11. CONFIDENTIALITY

TSM's "Confidential Information" means any information (whether owned by TSM or a third party) that Supplier learns or receives from or on behalf of TSM in connection with the Agreement, whether in writing, orally, or in any other form, that Supplier knows or reasonably should know is considered confidential or proprietary to TSM. TSM's Confidential Information includes, but is not limited to: (i) TSM's or such third party's trade secrets, proprietary information including Proprietary Information and all other technical information, Tooling and related information and documentation, know-how, technology, prototypes, methods, ideas, data, cost information, client information, financial information, supplier and customer identities and lists, and business and marketing plans, and (ii) any copies, extracts, analyses, compilations, forecasts, studies or other documents containing or reflecting that Confidential Information that are prepared by, on behalf of, or in cooperation with Supplier. Supplier acknowledges that TSM's Confidential Information is an asset of considerable value, and that disclosure of that Confidential Information to third parties would be damaging. Supplier shall: (a) keep the Confidential Information confidential and use it solely for the purposes of exercising its rights and performing its obligations under the Agreement; (b) not directly, or indirectly, without authorization, reveal, report, publish, disclose or transfer the Confidential Information to any third party; (c) use procedures constituting a high degree of care to maintain the security of the Confidential Information, but in no event less than a reasonable standard of care under the circumstances; and (d) disclose the Confidential Information to Supplier's Employees, consultants and subcontractors solely on a need-to-know basis as required in connection with Supplier's performance of its duties and exercise of its rights under the Agreement. 11.4 Supplier shall return or destroy the Confidential Information within 3 (three) calendar days after TSM's request thereto. The existence and details of any Order or Agreement shall be treated as Confidential Information which shall not be disclosed to any third party without the prior written consent of TSM.

12. TOOLING

All special dies, molds, patterns, jigs, fixtures, and any other tooling or property furnished to Supplier by TSM, or specifically paid for by TSM, for use in the performance of the Order are and will remain the property of TSM (collectively, "Tooling"). Tooling is subject to removal upon TSM's instruction. Supplier shall: (i) only use the Tooling in fulfilling Orders; (ii) properly store, house and maintain all Tooling on Supplier's premises under conditions that will prevent deterioration and also (on the reasonable instructions of TSM) to store and maintain particular Tooling under such special conditions as may be appropriate to their requirements, and to keep Tooling in good working order according to industry standards; (iii) hold all Tooling at Supplier's risk; (iv) prominently mark Tooling



as TSM's property and refrain from commingling Tooling with Supplier's property or with that of a third party; (v) take reasonable steps to keep Tooling from being subject to any liens or other claims; and (vi) keep Tooling insured at Supplier's expense while in its custody or control in an amount equal to the replacement cost, with loss payable to TSM. Supplier will furnish copies of policies or certificates of such insurance to TSM on demand. Supplier shall not move Tooling to any other location or facility, whether owned by Supplier or a third party, without first obtaining TSM's prior written consent. Supplier shall cooperate with TSM to accomplish any public filing or other commercially accepted method of establishing recognition of TSM's ownership of Tooling. This may include, but is not limited to, cooperating with TSM's issuance and filing of a UCC-1 statement within the United States or other acceptable practice established under applicable local law. Upon termination (or earlier at the direction of TSM), Supplier shall, at its expense, send all Tooling to a location specified in writing by TSM.

13. LIABILITY AND INSURANCE

13.1 If the Order requires that the Supplier sends Supplier's Employees (as defined hereafter) to TSM's premises or designated location for any purpose in connection with the Order then, notwithstanding any degree of technical supervision exercised by TSM or any instructions issued by TSM, such Supplier's Employees shall remain the Supplier's Employees alone. The Supplier agrees, for the benefit of Supplier's staff, personnel, service providers, agents, representatives, subcontractors and all otherwise employed by Supplier ("Supplier's Employees"), if any, to comply in all respects with applicable social security laws, workers' compensation laws and insurance laws and regulations of any jurisdiction of which Supplier may be a part, and to withhold and pay taxes and premiums and other costs and expenses incident to such security and coverage. Supplier hereby releases TSM from any and all liability for any indebtedness from Supplier to any of Supplier's Employees. Accordingly, it is an express condition of any Order that the Supplier effects and maintains in force for the benefit of TSM and itself full employer's liability insurance in respect of Supplier's Employees. The Supplier shall provide TSM with written evidence of such insurance at any time on request and shall notify TSM in writing of any change in this insurance.

13.2 Supplier agrees to indemnify and defend TSM, its Affiliates and their respective customers (whether direct or indirect), and their respective employees, officers, directors, agents, successors and assigns, from and against all liability, loss, damage, and expenses (including without limitation reasonable attorneys' fees) arising from or in connection with any third-party claims or demands for personal injury or death, property damage, or economic loss allegedly caused by or contributed to by: (i) any of the Supplies supplied by Supplier, regardless of whether such claim or demand arises under tort, negligence, contract, warranty, strict liability, product liability, or any other legal or equitable theories; (ii) the performance of any service or work by Supplier or Supplier's Employees on the property of TSM or its customer, or the use by Supplier of the property of TSM or its customer; or (iii) allegations or claims that the use or resale of Supplies by TSM and its customers infringe, misappropriate or otherwise violate a third party's intellectual property or proprietary rights. The indemnification obligations in clauses (i) and (ii) apply to the extent of fault of Supplier and its employees, agents, representatives, and subcontractors, and regardless of whether both Supplier and TSM are negligent or otherwise at fault. Supplier's indemnification obligations under clause (iii) do not apply to the extent the infringement or violation arises from Supplier's compliance with particular requirements of TSM that differ from Supplier's standard specifications for the Supplies. Supplier shall undertake at its expense the defense of any such suit or proceeding using reputable counsel reasonably acceptable to TSM. If either Party receives notice of an alleged infringement by any products or services that have been delivered as Supplies (hereinafter: "Alleged Infringing Product(s)" and "Alleged Infringing Service(s)"), or if a party reasonably believes that such a claim is likely, TSM may require Supplier, at Supplier's expense: (i) to procure for TSM and its customers the right to continue using or reselling the Alleged Infringing Product(s) and receiving Alleged Infringing Services and using any results of the Alleged Infringing Services; (ii) to modify the allegedly infringing Alleged Infringing Products and/or Alleged Infringing Services so that they are no longer infringing; or (iii) to replace the Alleged Infringing Product(s) or re-perform the Alleged Infringing Services so that they become non-infringing; provided always that the modified or replaced Product(s) or Services do not modify or detract from agreed functionality.

13.3 All risk of loss or damage to any property of the Supplier or of the Supplier's personnel while at TSM's premises for any reason whatsoever shall be and remain the sole risk and responsibility of the Supplier which shall indemnify TSM against all liability in respect of all such loss or damage.

13.4 TSM shall only be liable for indebtedness due to the Supplier arising from these Terms. TSM shall not incur any liability hereunder unless specifically undertaken.

14. ORDER AMENDMENT AND CANCELLATION

14.1 Where an Order is placed with the Supplier by TSM for Supplies for use in connection with or as a result of an agreement entered into by TSM with a third party (hereinafter the "Principal Agreement"), then the Supplier shall be bound by the Principal Agreement insofar as it relates to the Supplier and the supply of Supplies. All Supplies and Orders shall be subject to any amendment, increase, decrease, addition, alterations or cancellation of any supplies or order in terms of the Principal Agreement, without any obligation or liability upon TSM to fulfil the relevant Order.

14.2 TSM reserves the right to cancel any Order for any reason and without liability, save for any Supplies already delivered or performed but including supplies stipulated in section 7.2, by giving the Supplier written notice at least 30 (thirty) calendar days prior to the time for delivery or performance specified in such Order, or such other notice period as may be specified in such Order.

14.3 TSM reserves the right to cancel any Order summarily for any reason and without liability and without prejudice to any claim for damages or otherwise which TSM may

have against the Supplier if:

- the Supplier commits any breach of these Terms;
- the Supplier is placed in liquidation either voluntarily or compulsorily;
- the Supplier or anyone in his employ or anyone acting on his behalf paying or offering to pay, giving or offering to give, any money or other present of whatsoever nature whether by way of a commission, gratuity or otherwise, or lending or offering to lend any money, or giving or offering to give any other valuable consideration to any person in employ of TSM.

14.4 If TSM cancels an Order in accordance with section 14.3, TSM may purchase the Supplies in question from the most convenient alternative source and any increase in the price paid therefore over and above the price specified by the Supplier for such Supplies shall be borne by the Supplier and be paid to TSM on demand.

15. FAIR LABOR CERTIFICATION

In performing its obligations under this Agreement and each Order, Supplier hereby certifies that it shall: (i) not use child labor (as defined by local law); (ii) not use forced or compulsory labor; (iii) not physically abuse labor, and (iv) respect Supplier's Employees' rights to choose whether to be represented by third parties and to bargain collectively in accordance with applicable local law. In addition, Supplier hereby certifies that it shall comply with all applicable laws and regulations relating to wages and benefits, working hours and overtime, and health, safety, and environmental matters. If requested by TSM, Supplier shall demonstrate Supplier's compliance with all requirements in this article 15 to the reasonable satisfaction of TSM.

Where applicable, federal contractors and subcontractors in the United States shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their age, race, color, religion, creed, sex, marital status, sexual orientation, gender identity, genetic information, citizenship status, or national origin. Moreover, these regulations require that covered prime contractors and sub-contractors take affirmative action to employ and advance in employment individuals without regard to age, race, color, religion, creed, sex, marital status, sexual orientation, gender identity, genetic information, citizenship status, national origin, protected veteran status, or disability. Where applicable, the Parties agree to abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under U.S. federal labor laws.

16. INSURANCE

Supplier shall maintain commercial general liability (or public liability) coverage, including products completed operations, blanket contractual liability, bodily injury and property damage, and automobile coverage (bodily injury and property damage), each with minimum limits of USD \$2,000,000 (two million US dollars) per occurrence unless a higher limit is specified in the Order. If the Order covers services to be performed on TSM's premises, Supplier shall maintain and shall upon request provide evidence of statutory Workmen's Compensation or equivalent coverage in accordance with the laws of the location in which the work is performed, including employer's liability with a limit of USD \$1,000,000 (one million US dollars) unless a higher limit is specified in the Order. Supplier shall notify TSM in writing of any change in such coverage.

17. QUALITY CONTROL

Supplier shall continuously carry out quality control tests to ensure that the Supplies comply with: (i) technical specifications; (ii) any specification of TSM; (iii) any other quality requirements agreed upon in writing; and (iv) quality standards required by applicable law and regulations, including food and drug laws, these Terms, or any Order. Supplier shall conduct all necessary controls prior to preparing and packing the Supplies for shipment. At any time prior to dispatch and during Supplier's business hours, TSM shall have the right at its cost upon reasonable notice to audit Supplier's compliance with the above requirements at the premises where the Supplies are manufactured. Supplier will ensure that TSM's rights in this respect are included in Supplier's contracts with subcontractors (if any). TSM is not required to perform incoming inspection of any Supplies supplied including any services performed.

18. PRODUCT CONTENT

Supplier shall comply with all laws and regulations relating to product content applicable to Supplies sold hereunder, and TSM shall advise Supplier of countries into which TSM's products – which include Supplies – shall be sold. Supplier agrees to provide TSM with product content information required to satisfy both TSM's content reporting obligations and TSM's customer's reporting obligations, in each case as required by law or regulation, including without limitation "conflict minerals".

19. COMPLIANCE

Supplier shall adhere to all laws, rules, and regulations applicable to both itself and the commercial relationship with TSM. In particular, Supplier shall comply with all applicable laws, rules and regulations relating to the export or reexport of technical data and products. Supplier will, at its reasonable expense, provide TSM with information, documentation, and electronic transaction records relating to the Supplies necessary for TSM to fulfill any customs, origin marking, or labeling requirements, certification, or local content reporting requirements, and to enable TSM to claim preferential duty treatment for products eligible under applicable trade preference regimes.

19.2 If any compliance or legal violation occurs, TSM may immediately terminate all Orders and/or transactions with Supplier.



20. TERMINATION

TSM may terminate all or part of the Agreement or cancel any Order without cause on 60 (sixty) calendar days' notice. TSM's liability for termination for convenience will be limited to Supplier's actual cost for work and materials applicable solely to the canceled Order and consistent with agreed purchase order commitments, if any, for raw material, work in process, and furnished Supplies. Supplier shall cancel all purchase commitments for raw materials and other Supplies inputs when it receives notice of termination from TSM. If prior to delivery, Supplier becomes insolvent or bankrupt, or bankruptcy or insolvency proceedings are filed by or against Supplier, or Supplier otherwise is deemed to be bankrupt or insolvent, TSM may terminate the Agreement in whole or in part immediately by sending Supplier written notice. TSM may terminate all or part of the Agreement or any Order with immediate effect upon written notice to Supplier if Supplier materially breaches any of its obligations hereunder and the breach is not remedied within 30 (thirty) calendar days after Supplier's receipt of notice. Except as otherwise provided, upon termination for any reason, the rights and obligations of the Parties that arose under this Agreement prior to its termination and are reasonably expected to continue following its termination will survive.

21. GOVERNING LAW AND DISPUTE RESOLUTION

21.1 THE AGREEMENT(S) BETWEEN TSM AND SUPPLIER AND ANY CORRESPONDENCE, DEALINGS AND SERVICES CONDUCTED, PROVIDED, AND OR RENDERED AND ALL ACTIONS CONTEMPLATED THEREBY ARE SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS, USA (WITHOUT REGARD TO ANY APPLICABLE CONFLICTS OF LAW PROVISIONS). THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS (CISG) IS HEREBY EXPRESSLY EXCLUDED.

21.2 ALL DISPUTES EXISTING BETWEEN PARTIES SHALL BE SUBMITTED EXCLUSIVELY TO THE APPROPRIATE COMPETENT COURT IN THE STATE OF TEXAS, USA. AN EXCEPTION TO THE FOREGOING APPLIES IF THE ACO IN SECTION 21.3 WOULD BE EXERCISED.

21.3 WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 21.2, AND AT THE SOLE OPTION OF TSM, ANY DISPUTE BETWEEN THE PARTIES MAY ON A CASE-BY-CASE BASIS BE SUBMITTED TO AND DETERMINED AND SETTLED BY THE APPROPRIATE COMPETENT COURT IN SUPPLIER'S JURISDICTION, ACCORDING TO THE APPLICABLE LAW IN SUPPLIER'S JURISDICTION (THE "ALTERNATIVE COURT OPTION" OR "ACO").

21.4 THIS ARTICLE 21 WILL SURVIVE ANY TERMINATION, CANCELLATION, OR EXPIRATION OF THE AGREEMENT(S).

22. REMEDIES

No right or remedy under this Agreement conferred on, or reserved to, either Party is intended to be exclusive of any other right or remedy, and every right and remedy is cumulative and in addition to any other right or remedy under this Agreement, at law, or in equity. Supplier will continue performing its obligations while a dispute is being resolved except to the extent the issue in dispute precludes performance (disputes regarding amounts owed will not be deemed to preclude performance). If there is a breach of this obligation, TSM will be entitled to seek and obtain injunctive relief, without posting bond or proving damages.

23. TITLES, WAIVER, SEVERABILITY, MISCELLANEOUS

Headings of articles are for reference only, and will not limit or restrict the interpretation or construction of these Terms. Time is of the essence in the performance of the Parties' duties under these Terms. TSM's failure to insist, in any one or more instances, upon Supplier's performance of these Terms, or to exercise any rights conferred, will not constitute a waiver or relinquishment of any such right or right to insist upon Supplier's performance in any other regard. The partial or complete invalidity of any one or more provisions of these Terms will not affect the validity or continuing force and effect of any other provision. The provisions of these Terms shall fully apply subject to compliance with applicable export control, competition / anti-trust laws and regulations in force and applicable to the Parties and nothing in these Terms shall oblige either Party to do or omit to do, or refrain from doing, anything which would result in a breach by such Party of such laws and regulations. Each Party to an Agreement represents, agrees, and warrants that it will perform all other acts and execute and deliver all other documents that may be necessary or appropriate to carry out the intent and purposes of each Agreement and these Terms. In these Terms, the singular shall include the plural, and the masculine shall include the feminine and neuter, and vice versa.