

CONDITIONS RELATING TO THE ORDER

1. Application

These Conditions shall be incorporated into the contract between the Seller and the Buyer for the supply of the goods and/or services specified in the Order (the "Goods" and "Services" as appropriate) and shall prevail over any terms or conditions contained in the Seller's acceptance of the Order or elsewhere or implied by trade, custom or course of dealing. These Conditions and the Order itself constitute the entire agreement of the Seller and the Buyer ("this Contract") and shall not be modified or varied in any way except with the prior written approval of the Buyer. The terms of the Seller's quote, acknowledgment or acceptance of order, specification or similar document do not apply. Any express terms in the Order shall overrule these terms.

2. Acceptance

The Seller may accept this Contract by any means, including: (a) signing and returning the Order (either on paper or electronically (e.g. e-mail)); or (b) commencing work under this Contract.

3. Provisions that apply for purchase of Goods

- 3.1 The Seller warrants that (a) the Goods will be free from any liens or encumbrances on title that could affect the Seller's right to transfer title of the Goods to the Buyer; (b) the Goods will be free from defects and shall meet all specifications, standards, procedures, methods or systems referred to in this Contract; (c) the Goods will be free from any defects in design, workmanship or materials; (d) the Goods will be suitable for normal commercial use; and (e) the Goods will be manufactured, packaged and labelled in accordance with this Contract and all laws and standards of the countries of manufacture, distribution, and intended use, including laws on labour and employment, manufacturing, transport, data protection, environment, competition and fair market practices.
- 3.2 The Seller warrants that the Goods will not infringe any Intellectual Property Rights of any third party. The Seller shall defend the Buyer and its Affiliates against any claims that the Goods infringe any such rights, and shall indemnify them (irrespective of whether the Seller is in breach of warranty) from any loss, damage, costs, expenses (including reasonable attorneys' fees), settlements, and judgments incurred by the Buyer or its Affiliates or anyone deriving their right to use the Goods from the Buyer or its Affiliates arising out of, or in connection with, any claim that the Goods infringe Intellectual Property Rights. The Buyer shall promptly notify the Seller of any such claim.
- 3.3 The Seller shall suitably package the Goods and deliver them (or engage a carriage company to do so) at the time and place specified in the Order. For any Goods that cross international borders for delivery, the Goods shall be sent Delivered Duty Paid (DDP) (INCOTERMS 2010) in accordance with the Order or the Buyer's instructions. The Seller shall insure the Goods until delivery.
- 3.4 In the event of late delivery, the Buyer may cancel this Contract with no obligation or liability to the Seller except as provided in clause 3.8, even if the Buyer has already received the Goods. Alternatively, the Buyer may allow the Seller additional time to make delivery, without waiving any right to damages against the Seller. The Buyer reserves the right to claim damages and interest from the Seller in the event of late delivery and in the event of any failure of the Seller to perform its obligations under this Contract that causes loss or expense to the Buyer.

- 3.5 The Buyer may refuse any Goods that the Seller delivers in excess of the quantity stated in the Order.
- 3.6 Should the Buyer receive, or pay for, the Goods, this shall not, of itself, imply that:
- (a) the Buyer: (i) accepts the Goods; or (ii) waives any of its rights;
 - (b) the Goods meet the Buyer's specifications or requirements; or
 - (c) the Seller has complied with its obligations under clause 3.1.
- 3.7 If the Goods do not comply with the warranties in clause 3.1, the Buyer may (without limiting any of its other rights) reject the Goods in whole or in part, or require the Seller to replace or repair some or all of the Goods, without liability and without prejudice to any other legal remedies available to the Buyer by giving notice of rejection to the Seller. The warranties in clause 3.1 shall be valid for 24 months from the date the Goods are delivered, save for the warranty in clause 3.2, which shall continue indefinitely. The Seller shall forthwith refund to the Buyer any payment made by the Buyer for the Goods rejected without prejudice to other legal remedy to which the Buyer may be entitled.
- 3.8 If the Buyer cancels this Contract or rejects all or some of the Goods pursuant to these terms, the Buyer shall have no obligation to the Seller other than to allow the Seller to collect the rejected Goods at the time and place the Buyer specifies to the Seller. The Buyer may claim from the Seller reasonable storage and insurance expenses (if it incurs any) from the time that the Goods were received until the Seller collects the rejected Goods.
- 3.9 The Buyer shall have the continuing right to inspect the Seller's production facilities. If the Buyer determines that the quality of the Goods in the course of production does not meet the standards set by this Contract or if the Buyer reasonably determines that the Seller will not deliver the Goods on or before the date specified, the Buyer may cancel this Contract at any time in whole or in part, while retaining all rights against the Seller.
- 3.10 To the extent that the use, distribution, resale or advertising of the Goods involves the use of any Intellectual Property Rights of the Seller, its Auxiliary Persons, or the manufacturer of the Goods, the Seller grants the Buyer a worldwide, royalty-free, and irrevocable right for such use of such Intellectual Property Rights in the Goods, for the full term of Intellectual Property Rights protection.
- 3.11 The Goods shall be packaged, marked and delivered at the Seller's expense in accordance with the Order. Unless otherwise agreed in writing between the Seller and the Buyer no charge will be made by the Seller for packing, crating, drayage, demurrage or storage without the Buyer's written permission.
- 3.12 "Auxiliary Person" means any person working directly or indirectly for another (such as an employee (or equivalent), a subcontractor, or an employee (or equivalent) of a subcontractor, of the person concerned) or an officer, representative or adviser of that person.
- 3.13 "Buyer Materials" means all material, item or idea that the Buyer delivers to the Seller in connection with this Contract.
- 3.14 "Intellectual Property Rights" means all rights in any country or jurisdiction in patents, inventions, trade secrets and other rights in know-how, copyrights (including any extensions or renewals), rights affording equivalent protection to copyright, rights in databases, registered designs, design rights, industrial designs and utility models, trademarks, trade names, business names, trade dress, logos, domain names and all registrations or applications to register any of the foregoing items.

4. Provisions that apply for purchase of Services

4.1 Service standards

- (a) The Seller shall provide the Services in a professional, workmanlike, and timely manner, using the level of skill, knowledge and judgment required, or reasonably expected, of suppliers of comparable services. The Seller warrants that the Services conform to all descriptions and specifications that the Seller has provided to the Buyer. The Seller shall give the Buyer oral and written progress reports, as the Buyer may request from time to time. In the event that the Seller is providing the Services on a time and materials basis, upon completion of the Services the Seller shall submit for the Buyer's acceptance a report specifying the number of hours worked and materials used. The Seller shall present Work Products in a form and manner acceptable to the Buyer.
- (b) In performing the Services, the Seller shall comply with:
 - (i) applicable law;
 - (ii) safe working practices; and
 - (iii) any policies and codes of business conduct that the Buyer notifies the Seller.
- (c) If the Services fail to comply with the provisions of this Contract, the Buyer may (without prejudice to any other rights it may have): (i) request the Seller to perform such corrective action or additional services as may be necessary to remedy such failure; (ii) refuse to accept any subsequent performance of the Services which the Seller attempts to make; (iii) terminate this Contract in whole or in part without liability to the Seller; (iv) purchase substitute services from another supplier; (v) hold the Seller accountable for any loss and additional costs incurred for the said substitute services; and (vi) have the Seller refund all sums that the Buyer previously paid the Seller under this Contract.

4.2 Intellectual Property Rights

- (a) The Seller warrants that all Contract Materials shall be its original work (or that of its Auxiliary Persons). The Seller hereby (i) transfers, and shall procure that all its Auxiliary Persons transfer, to the Buyer, free of claims, all Intellectual Property Rights in Contract Materials from the moment of their creation; and (ii) waives, and shall procure that all its Auxiliary Persons waive, all moral rights relating to Contract Materials. The Buyer shall retain exclusive ownership of the Contract Materials and related Intellectual Property Rights after termination or expiry of this Contract. The Seller shall, and shall procure that its Auxiliary Persons shall, provide all assistance reasonably required to perfect the Buyer's rights under this clause, including executing a certificate of acknowledgement of the foregoing transfer and such other documents as the Buyer reasonably requests in order to register, establish, maintain, perfect, assert or defend any Intellectual Property Rights in the Work Product.
- (b) The law of some countries may not permit the foregoing transfer of Intellectual Property Rights. To the extent that is the case, the Seller hereby grants to the Buyer and its Affiliates, for the full term of Intellectual Property Rights protection, an exclusive, sub-licensable, worldwide, irrevocable, assignable, royalty-free licence to use, modify and add to the Contract Materials (and any proprietary rights or technology contained in or relating to them), and to combine such with other Materials, in each case to the extent necessary to allow the Buyer and its Affiliates to use, manufacture and develop the Work Product and to be able to fully benefit from the rights granted to it under this Contract.

- (c) The Seller hereby grants to the Buyer and its Affiliates, for the full term of Intellectual Property Rights protection, a non-exclusive, sub-licensable, worldwide, irrevocable, assignable, royalty-free license to use, modify and add to the Seller Materials (and any proprietary rights or technology contained in or relating to them), and to combine such with other Materials, in each case to the extent necessary to allow the Buyer and its Affiliates to use, manufacture and develop the Work Product and to be able to fully benefit from the rights granted to it under this Contract.
- (d) The Seller transfers, from the moment of delivery to the Buyer, title to all physical items that it delivers to the Buyer in connection with the Services.
- (e) The Seller acknowledges that the sums payable by the Buyer under this Contract are good, valuable and complete consideration for the vesting of ownership in the Buyer of the Contract Materials and the Intellectual Property Rights in the them; the transfer of title in the physical items; and the granting of the licence to the Seller Materials.
- (f) The Buyer grants the Seller the right to use the Buyer Materials referred to in clause 3.15 for the sole purpose of complying with the Seller's obligations under this Contract. Upon termination or expiry of this Contract, this right shall end, and the Seller shall return the Buyer Materials to the Buyer. The Seller shall not have any further rights to use any Intellectual Property Rights of the Buyer or any of its Affiliates.
- (g) The Seller shall not disclose to the Buyer confidential information of others. The Seller warrants that the Work Product does not infringe any Intellectual Property Rights of any third party. The Seller shall defend the Buyer and its Affiliates against any claims that the Work Product infringes any such rights, and shall indemnify them (irrespective of whether the Seller is in breach of warranty) from any loss, damage, costs, expenses (including reasonable attorneys' fees), settlements, and judgments incurred by the Buyer or its Affiliates or anyone deriving their right to use Work Product from the Buyer or its Affiliates arising out of, or in connection with, any claim that the Work Product infringes Intellectual Property Rights. The Buyer shall promptly notify the Seller of any such claim.

4.3 Termination

- (a) In addition to its rights under applicable law, the Buyer shall also have the right to terminate this Contract at any time by notice to the Seller for convenience with effect no less than 14 days following the notice.
- (b) Should the Buyer terminate this Contract by virtue of the above, it shall pay the Seller:
 - (i) for terminating Services to be performed on a "time and materials" basis, the normal fees up to the effective date of termination; and
 - (ii) for terminating Services to be performed on a "fixed price" basis, a sum in Buyer's absolute opinion that reflects the Seller's progress in, and reasonable investment towards, achieving the deliverables to which such fixed price services relate (but no more than the relevant fixed price fee).

4.4 "Affiliate" means any entity which controls, is controlled by, or is under common control with, the relevant party; and "control" (and variants of it) means the ability, directly or indirectly, to direct the affairs of another by means of ownership, contract or otherwise.

4.5 "Contract Materials" means all material, item or idea that the Seller (either itself or through Auxiliary Persons) creates in the performance of this Contract.

- 4.6 "Seller Materials" means all material, item or idea that are not Contract Materials or Buyer Materials.
- 4.7 "Work Product" means all material, item or idea that the Seller (either itself or through Auxiliary Persons), in the performance of this Contract, creates or delivers to the Buyer.

5. Confidentiality

- 5.1. A party's confidential information (being information that a reasonable person would consider confidential) includes information of another person that it keeps in confidence. Each party shall, and shall procure that its Auxiliary Persons shall:
- (a) keep confidential all confidential information that it receives from (or on behalf of) the other in connection with this Contract and apply reasonable measures to keep it secure;
 - (b) return (or, at the disclosing party's instruction, destroy) such confidential information at the end of this Contract; and
 - (c) except as permitted by clause 5.2, not disclose any of the other party's confidential information to any third party nor refer to its business relationship with the other for promotional or advertising purposes without that other's prior written consent.
- 5.2 Each party may disclose the other party's confidential information:
- (a) to its Auxiliary Persons or to its Affiliates provided such persons are under the same obligations in this clause 5 and, in the reasonable opinion of the party, have a need to know the confidential information for the purpose of this Contract; and
 - (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
- 5.3 Neither party shall use any other party's confidential information for any purpose other than to perform its obligations under this Contract.
- 5.4 The obligations under this clause shall continue in full force and shall survive the termination of the Contract.

6. Payment

- 6.1 The Buyer shall pay the Seller the fee as set out in the Order. The price in the Order constitutes the maximum amount payable by the Buyer and the Order shall not be invoiced at any price higher than that shown on the Order without the written agreement of the Buyer. In the event that subsequent to the acceptance of the Order and before shipment of Goods and/or performance of Services or any part thereof, any such reduced price shall supersede and be deemed to be substituted for the price of the Good and/or Services or the relevant part thereof before the addition of other charges pursuant to clause 3.11 if any.
- 6.2 Each party shall, at its own expense, comply with all obligations that this Contract attributes to it unless this Contract explicitly states that the other party is to bear the expense.
- 6.3 When the Seller has delivered the Goods or performed the Services (or both), the Seller shall promptly deliver to the Buyer (at the address specified in the Order) an invoice that accurately details the relevant Goods or Services and complies with the Buyer's

requirements for invoicing. If the Services are to be charged on a time and materials basis and spread over a period greater than a month, the Seller shall invoice in arrears promptly following the end of each month (with associated expenses if permitted as set out below).

- 6.4 The Buyer shall pay the Seller's invoice in accordance with the Order (and provided it complies with the above requirements). Should the Seller fail to comply with its obligations under this Contract, the Buyer reserves the right to suspend payment in whole or in part.
- 6.5 Neither payment for the Goods nor delivery of the Goods by the Seller shall constitute acceptance of the Goods by the Buyer.
- 6.6 The Buyer shall not be obligated under this Order to take any action (including making any payment under this Order) that it believes, in good faith, would cause it or its Affiliates to be in violation of the laws of (i) any country where Services are provided, (ii) countries where the Buyer and/or Seller are organized, or (iii) any other applicable jurisdiction.

7. Indemnity

The Seller will indemnify and hold harmless the Buyer, its officers, agents, employees and subcontractors from claims, liabilities, losses, damages and expenses suffered or incurred by the Buyer, its officers, agents, employees or subcontractors including but not limited to legal fees, arising from or caused by any act or omission of the Seller, or its officers, agents, employees or subcontractors (a) through injury to any of the Buyer's and/or the Seller's officers, agents, employees or subcontractors or to the Buyer's or its officers, agents, employees or subcontractors' property, or (b) by reason of any actual or alleged trademark, copyright or patent infringement, or (c) by reason of the Seller's failure to deliver the Goods and/or perform the Services in accordance with the Buyer's instructions, or (d) otherwise occurring as a result of any breach by the Seller of the Order and/or these Conditions.

8. Insurance

The Seller shall at its own expense maintain such insurance against public and property damage and such employee's liability and compensation insurance as will protect the Buyer against the claims, liabilities, losses, etc. mentioned in the provisions of clause 7 (a), (b), (c) and (d) above and against any claims under any relevant legislation in respect of employee's compensation or health and safety at work and with limits of cover acceptable to the Buyer. In addition, the Seller shall at its own expense maintain all permits, licences, certifications, registrations, and insurance coverage required by law.

9. Data Compliance

The Seller warrants that if the Goods and/or Services include any computer processor, hardware, software, timing mechanism or data (and any parts, updates or additions it hereafter provides with respect to the Goods), the Goods will correctly process and manipulate data and transactions involving dates, including single century, multi-century and leap year calculations, and will correctly multi-year transactions between centuries, and will operate without adverse effect with respect to any date. If the Order covers any Services, the Seller makes the above warranty with respect to any computer processor, hardware, software, timing mechanism or data item used by the Seller or created, modified or delivered to the Buyer in the performance of those Services. Without prejudice to any remedy available to the Buyer, the Buyer may require the Seller to demonstrate compliance with this warranty prior to deliver to the Buyer.

10. Child Labor/Forced Labor

- 10.1 The Seller shall not employ any person who is younger than the age of 15 or the applicable minimum employment age or mandatory schooling age, whichever is higher.
- 10.2 The Seller represents and warrants that a permitted employee under the age of 18 shall not be engaged in work that, by its nature or the circumstances in which it is carried out, is likely to harm the health or safety of this employee. In addition, the Seller represents and warrants that the weekly and daily working schedules of permitted employees under the age of 18 shall comply with all applicable laws and regulations.
- 10.3 The Seller shall not employ persons under conditions that this work or service is extracted from them under the menace of any penalty and for which the said person has not offered himself voluntarily.
- 10.4 The Buyer, its employees and agents have the right, upon reasonable advance notice, and at the Buyer's expense to audit the Seller's books and premises with regard to the Seller's performance with the obligations of clauses 10.1, 10.2 and 10.3 above.

11. General

- 11.1 All drawings, plates, cylinders, electrotypes, models, samples, designs, technical information and data or other proprietary information written, oral or otherwise furnished to the Seller and all rights therein are the property of the Buyer, and will be delivered to the Buyer upon demand.
- 11.2 The obligations of the Seller under the Order and these Conditions shall survive acceptance of the Goods and/or Services and payment therefor by the Buyer.
- 11.3 The Seller shall have no rights or interests in any of the trademarks, tradenames, insignia and designs owned by the Buyer and/or any of its Affiliates which are used on or in connection with the Goods and/or Services and shall promptly notify the Buyer of any infringement of such trademarks, tradenames, insignia and designs.
- 11.4 No third parties may enforce any terms of or has any rights under this Contract including the Order and the Conditions pursuant to or under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) save and except for the Buyer's officers, agents, employees or subcontractors (collectively known as "Third Parties") who may enforce the rights under clauses 7 and 11.6 herein. The Third Parties may assign to another person a right under clauses 7 and 11.6 provided prior written consent of the Buyer is obtained. The Buyer and the Seller may terminate, rescind, or vary, agree to amend this Contract including the Order and the Conditions herein and to waive any terms or rights or to enter into settlement under or relating to this Contract including the Order and Conditions herein without the consent of the Third Parties.
- 11.5 Unless otherwise specified on the Order, the Order and these Conditions shall be governed by and construed in accordance with the laws of Hong Kong SAR. Any dispute arising in connection with the Order and these Conditions shall be submitted to the non-exclusive jurisdiction of the courts of Hong Kong SAR.

11.6 The Seller represents that neither it, nor any of its Affiliates (nor any director, officer or to its knowledge, employee of it or any of its Affiliates) nor any of its agents, is a person that is, or is owned or controlled by a person that is (i) the subject of any Sanctions; or (ii) employs, uses, procures or subcontracts any workers or labour originating from or attributable to North Korea.

“Sanctions” means any economic or financial sanctions or trade embargoes implemented, administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the U.S. Departments of State or Commerce or any other US government authority, the United Nations Security Council, the European Union, Switzerland or other such Sanctions authority in a jurisdiction of relevance to the Order and these Conditions.

11.7 The validity or unenforceability of any term of or any right arising pursuant to the Contract shall not adversely affect the validity or enforceability of the remaining terms or rights of the Contract. In particular, if any provision (or part of a provision) is found to be unlawful or unenforceable, but would be lawful or enforceable if some part or parts thereof were deleted or modified, the Parties shall make such modification as may be necessary to make the provision valid and effective.

11.8 Information Security

In applicable cases, the Seller shall implement the technical and organizational measures which are set out at the following link: https://www.pmi.com/resources/docs/default-source/legal/information-security-may_2016.pdf?sfvrsn=2. (as varied or replaced from time to time).