

**GLOBALWAFERS CO., LTD.**  
**TAISIL BRANCH ( "Taisil" )**  
**PURCHASE ORDER TERMS AND**  
**CONDITIONS**

**1. DEFINITIONS**

- A. "Equipment" means the devices for manufacturing or producing products which are in compliance with Specification(s), including its upgrade and conversion kits thereto.
- B. "Item(s)" means any goods or services provided by Supplier to Taisil, including but not limited to Equipment.
- C. "Hazardous Materials" means materials that are or contain dangerous goods, chemicals, contaminants, substances, pollutants, or any other materials that are defined as hazardous by relevant local, state, national, or international law, regulations, and standards
- D. "Purchase Order" means a Taisil's document setting forth specific Items to be delivered and their shipping information. A Purchase Order will be binding on Taisil only upon signature by its' authorized representative.
- E. "Release" means Taisil' authorization for Supplier to provide the Items on the delivery date designated by Taisil (if any). The Release is an individual document other than Purchase Order.
- F. "Specification(s)" means any detailed content of service and/or the components, composition and functions which the Item shall equip.

**2. PRICING AND AUDITS**

- A. The prices set forth in a Purchase Order or any purchase agreement (if any) between the parties shall be fixed or reduced during the term of the Purchase Order or the aforesaid purchase agreement. The parties may revise the Purchase Order at any time with both parties signatures and the date of revision.
- B. The price that Supplier charges Taisil for any Item shall always be the lowest price which Supplier charges its customers other than Taisil for the same or equivalent goods or services. If Supplier sells the same or equivalent goods or services to any customer at a price less than the Item(s) price charged to Taisil, Supplier shall adjust and match the price charged to Taisil for any Item yet paid by Taisil and for all future invoices for such Item. For price comparison purpose, the prices that Supplier charges to Taisil for Item(s) and its other customers (for the same or equivalent goods or services) shall include all costs incurred during production. "Equivalent" means the goods or services supplied to Supplier's other customers are similar to the Item(s) supplied to Taisil in form, function, usage, manufacturing process, or other specific comparison criteria agreed upon by Taisil and Supplier.
- C. , Supplier shall bear all applicable taxes, including but not limited to sales/use taxes, transaction privilege taxes, gross receipts taxes, value-added taxes, and other charges such as duties, customs, tariffs, imposts, and other surcharges imposed by government unless Taisil is required by applicable laws or regulations to be responsible for any of them. For those taxes or expenses that Taisil shall pay, Supplier shall state such taxes or expenses on Supplier's invoice. . In the event that Taisil is prohibited by law from making payments to the Supplier unless Taisil deducts or withholds taxes therefrom and remits such taxes to the local taxing jurisdiction, then Taisil shall duly withhold such taxes and shall pay to the Supplier the remaining net amount. Taisil need not reimburse Supplier for the amount of such taxes withheld. In the event Supplier does not collect tax from Taisil, and is subsequently audited by any tax authority, liability of Taisil will be limited to the tax assessed, with no reimbursement for penalty or interest charges.

- D. Additional costs, except for those set forth in a Purchase Order signed by Taisil, will not be reimbursed without Taisil' prior written approval.
- E. Taisil reserves the right to audit Supplier to ensure compliance with these Terms and Conditions. If Supplier is found to be in non-compliance with these Terms and Conditions in any way, Taisil may, at its sole discretion, terminate or rescind any Purchase Order, contract or agreement without assuming any liability to Supplier, and Supplier shall reimburse Taisil for all costs associated with the audit along with any direct or indirect losses due to Taisil's termination or recidiscrpancies discovered, within thirty (30) days after completion of the audit. The results of such audit shall be kept confidential by the auditor and if conducted by a third party, only Supplier's failures to abide by the obligations of these Terms and Conditions shall be reported to Taisil.

**3. INVOICING AND PAYMENT**

- A. Taisil shall make payment of Item(s) within one hundred and twenty (120) days after the later of the following dates; (a) the delivery of Items pursuant to applicable Incoterms; or (b) the date that Taisil received correct invoice(s) for the Item(s) delivered. However, if Taisil elects to make payment within sixty (60) days, Supplier shall give Taisil a two percent (2%) discount of the total price on each invoice. Taisil's payment is deemed made while the EDI payment transfer process commences or the corresponding check is mailed.
- B. Original invoices shall include: Purchase Order number (or purchase agreement number, if applicable), delivered Item lists with delivery dates, complete bill to address, description of Items, quantities, unit price, extended totals, and any applicable taxes or other charges. Payment of an invoice shall not constitute acceptance of the Items stated in that invoice. All payment shall be made in the currency as specified in the corresponding Purchase Order; if no such currency is specified, all payments will be made in the US Dollar.
- C. Supplier shall be responsible for and hold Taisil harmless against any and all payments to Supplier's vendors or subcontractors utilized in the performance of its liabilities related to the Purchase Order and purchase agreement (if any).
- D. Supplier agrees to invoice Taisil no later than one hundred eighty (180) days after delivery of Items. Supplier waives Taisil's obligation to make payment for any Items which Supplier fails to submit invoice Taisil within the aforesaid period.

**4. TERMINATION AND CANCELLATION**

- A. At any time Taisil may cancel, terminate, suspend, delay or interrupt any Purchase Order, purchase agreement or Release issued, or any part thereof without cause, by giving thirty (30) days notice to Supplier specifying the effective date and the extent of such termination, cancellation, suspension, delay or interruption. Upon receipt of the notice, Supplier shall, unless otherwise instructed in such notice, immediately terminate all affected work under the Purchase Order, purchase agreement or Release and give prompt written notice to, and cause all of, its suppliers or subcontractors to cease all related work.
- B. Taisil is not responsible for any payment for Items that have not been delivered to Taisil or passed Taisil's final acceptance test. Taisil shall pay Supplier for Items that have been delivered and passed Taisil's final acceptance test. Upon payment, Taisil get the full and clean title to the Items paid.
- C. Notwithstanding the foregoing, before assuming any payment obligation under this Section, Taisil may inspect Supplier's work in process and audit all relevant documents.

**5. SPECIFICATIONS, IDENTIFICATION AND ERRATA**

- A. Supplier shall not modify the Specification for any Item without the prior written approval of Taisil.

- B. To meet the Items traceability requirements, Supplier shall cooperate with Taisil to provide data, including but not limited to materials used for Item production, dispatch lists, relevant equipment logs and manufacturing records)configuration control .

#### **6. SCHEDULING AND RELEASES**

- A. Supplier shall deliver Items according to the schedule as specified in the Release.
- B. Any forecast provided by Taisil are for planning purposes only and shall not be deemed as a Release or other commitment by Taisil. Taisil shall have no obligation to any Items unless such Items are specified in an Release which Taisil agrees to be non-revocable and non-changeable.
- C. At Taisil's option, Items stated in a Release may be scheduled for delivery up to six (6) months after theissurance of such Release or any other time agreed by both Taisil and Supplier.

#### **7. WARRANTY**

- A. Supplier represents and warrants that:
- (i) All Items provided shall be (a) new and free from any defect in design, material, and workmanship; (b) free and clear of all liens, claims, encumbrances and other restrictions; (c) merchantable, fit for particulat purpose and sufficient for the use intended by Taisil; and (d) conform to Specifications, any statements in documentation and packaging, and any approved samples.
- (ii) Supplier further warrants that the purchase, sale, performance or license of the Items shall in no way infringe or otherwise violate any intellectual property rights of any third party.
- (iii) The foregoing warranties are in addition to all other warranties, expressed or implied, and shall survive any delivery, inspection, acceptance, and payment by Taisil. Taisil's approval of Supplier's material or design shall not relieve Supplier of the warranties set forth herein.
- B. Supplier shall complete "Source Inspection" of Items and give its result before shipping them from Supplier's factory. Whether Taisil will give Release or not depend upon factors including but not limited to the result of such Source Inspection. . Source Inspection requirements will be described in the Specification unless otherwise agreed in writing by the parties. Supplier shall provide Taisil with written certification that Items have passed Source Inspection and comply in all respects with the requirements described in the Specification. Taisil may participate, as it deems necessary, in Source Inspection. If Taisil conducts any inspection or test at Supplier's premises, Supplier shall provide Taisil with all reasonable facilities and assistances without additional charge.
- C. Notwithstanding any inspection or test on Supplier's premises, all Items purchased by Taisil are subject to Taisil's final inspection and acceptance at Taisil's premises. Final inspection and acceptance criteria are described in the Specification unless agreed otherwise in writing by the parties. Taisil may reject an entire lot based on a sampling or inspect all Items of the lot. Any such lot may be returned to Supplier for one hundred percent (100%) retesting at Supplier's cost.
- D. Acceptance and/or payment by Taisil shall in no event constitute a waiver of its rights and remedies with regard to any defect or nonconformity which is discovered subsequently. Supplier shall, at Taisil's options, (i) promptly repair or replace any non-conforming or defective Items at no additional cost to Taisil; or (ii) refund the full amount paid by Taisil for such Items. Supplier shall pay Taisil all incidental and consequential damages arising from any breach of the foregoing warranties. Supplier shall bear the cost of shipping and risk of loss of all defective or non-conforming Items while in transit.

#### **8. CONFIDENTIALITY AND PUBLICITY**

- A. During the term of the Purchase Order and purchase agreement , either party may have or may be provided access to the other's confidential information and materials. Additionally, Supplier may be engaged to develop new information and materials for Taisil, or may develop such information in the course of providing Items to Taisil, which information will become, upon creation, Taisil's confidential information unless otherwise previously agreed in writing. Provided information and materials ("Confidential Information") are defined herein or marked in a manner reasonably intended to make the other party who receives Confidential Information (the "Recipient") aware, or the party who discloses Confidential Information (the "Discloser") sends written notice within forty eight (48) hours of disclosure, that the information or materials disclosed hereby are "Confidential", each party agrees to treat such information in accordance with the terms of these Terms and Conditions and a separate Non-Disclosure Agreement ("NDA", if applicable) between Taisil and Supplier. If the provisions of this Section 9 conflict with such separate NDA, the terms of such NDA shall prevail. Each party agrees to maintain such Confidential Information in confidence and limit disclosure on a need-to-know basis, take all reasonable precautions to prevent unauthorized disclosure, and treat such Confidential Information as it treats its own confidential information of a similar nature (but in no case less than reasonable care), until the Confidential Information becomes rightfully available to the public through no fault of the Recipient. Supplier's employees who visit Taisil's facilities may be required to sign a separate confidentiality agreement prior to entering into Taisil's facilities. Supplier shall not use any of the Confidential Information provided by Taisil or created for Taisil other than for the purpose of conducting business with Taisil.
- B. The parties agree that, without prior written consent of the other party, neither party shall disclose the Confidential Information, the existence of this Agreement, or any of its details, or the existence of the relationship created by the Purchase Order, to any third party. If disclosure of Confidential Information, Purchase Order, purchase agreement or these Terms and Conditions is required by applicable law, rule, or regulation, or is compelled by a court or governmental agency, authority or body, the party which is obliged to do so shall (i) use all legitimate and legal means available to minimize the disclosure to third parties, including without limitation, seeking a confidential treatment or protective order; (ii) inform the party at least ten (10) business days in advance of the disclosure; and (iii) give the other party a reasonable opportunity to review and comment upon the disclosure, and any request for confidential treatment or a protective order pertaining thereto, prior to making such disclosure. One party may disclose Confidential Information, the Purchase Order, purchase agreement or these Terms and Conditions to its legal counsel, accountants, bankers, and financing sources as necessary in connection with obtaining services from such third parties after signing a non-disclosure agreement with that third parties in which duty to keep confidentiality shall be no less stringent than these Terms and Conditions or the NDA, and the party which discloses Confidential Information, the Purchase Order, purchase agreement or these Terms and Conditions shall be jointly responsible for any unauthorized disclosure of Confidential Information with its legal counsel, accountants, bankers, and financing sources. The obligations stated in this Section shall survive three years after the expiration or termination of the Purchase Order or purchase agreement. Supplier is prohibited to use Taisil's name or trademarks in advertisements, brochures, banners, letterhead, business cards, reference lists, or similar advertisements without prior written consent.

#### **9. INTELLECTUAL PROPERTY INDEMNIFICATION:**

- A. Supplier shall indemnify and hold Taisil, its parent company GlobalWafers Co., Ltd., its affiliate companies and its customers harmless from and against any and all costs, expenses (including reasonable attorneys' fees), losses, damages, or liabilities incurred because of actual or alleged infringement of any patent, copyright, trade secret, trademark, maskwork, or other intellectual property right ("IP Claim") arising out of the use or sale by Taisil, GlobalWafers Co., Ltd., Taisil's affiliate companies or Taisil's customers of Items or Taisil's products manufactured using the Item(s) or containing the Item(s), irrespective of whether Taisil furnishes any specifications to Supplier, except as otherwise provided in this Section. Taisil shall notify Supplier of any IP Claim or demand forthwith upon receipt of the complaint. Taisil may, at its sole discretion and at Supplier's expense, choose to participate in and lead the relevant litigation process, or not to participate in the litigation and ask Supplier to lead it. Should Taisil chooses to participate in and lead the litigation, Supplier shall provide all the documents and assistance which Taisil requests. If Taisil choose not to participate in and lead the litigation, Supplier shall get Taisil's prior consent before submitting any document (including but not limited to plea or answer that is to be submitted to the court or arbitration board) or sending any settlement proposal with the plaintiff.. Any settlement will bind Taisil only if the settlement proposal has been approved by Taisil per the term above. If Taisil cannot legitimately keep using Items, Supplier agrees it shall at its expense and at Taisil's options to take one or some of the following actions: (i) procure for Taisil and Taisil's customers the rights to continuously use Items; (ii) replace Items with non-infringing ones; (iii) modify the Items into non-infringing ones which Taisil judges to be without adverse impact on the functions and performances; and/or (iv) refund Taisil of all the amount paid for the Items. Regardless of which of the foregoing remedies is taken, Supplier shall pay to Taisil rework expenses and additional costs incurred by Taisil to procure and qualify alternative products as of the effective date of the injunction. This indemnification shall not apply to the customized Items which are manufactured competely complying with the detailed designs and manufacturing processes furnished by Taisil..
- B. Taisil shall defend, indemnify, and hold Supplier harmless from and against any costs or expenses arising from a rightful claim of infringement by a third party resulting from customized Items stipulated in Section 9A above, and such infringement claim would not have occurred but for complying with such detailed designs and manufacturing processes. Notwithstanding the foregoing, Taisil shall have no liability to Supplier hereunder, if Supplier knows, or through the exercise of reasonable due diligence should have known, that the required designs and manufacturing processes infringe or may potentially infringe another party's intellectual property rights.

#### 10. HAZARDOUS MATERIALS

- A. If Items provided hereunder include or use Hazardous Materials, Supplier represents and warrants that itself and its personnel have been properly trained and understand the nature and dangers of such Hazardous Materials and the associated regulations of handling, transportation, storage and use of them. Prior to delivering Items containing Hazardous Materials to Taisil, Supplier shall obtain written approval from Taisil's Environmental/Health/Safety Department. Supplier shall be fully responsible for and indemnify Taisil from any liability resulting from the actions of Supplier or its contractors in connection with: (i) providing Items containing or comprising Hazardous Materials to Taisil without Taisil's prior written consent; and/or (ii) use of Hazardous Materials in providing services related to the Items to Taisil.

- B. Supplier will timely provide Taisil with material safety data sheets and any other documentation reasonably necessary to enable Taisil to comply with applicable laws and regulations.
- C. Supplier warrants that Items supplied to Taisil will comply with Taisil's environmental and safety policies and procedures, and do not contain or not manufactured with any ozone depleting substances, as those terms are defined by law.

#### 11. INSURANCE

- A. Without limiting or qualifying Supplier's liabilities, obligations, or indemnities assumed by Supplier pursuant to the Purchase Order and other purchase agreements (if any), Supplier shall maintain, at its sole cost and expense, with insurance companies accepted by Taisil, Commercial General Liability and Automobile Liability Insurance with limits of liability not less than NTD\$20,000,000.00 per occurrence and including liability coverage for bodily injury or property damage (1) assumed in any contract or agreement pertaining to Supplier's business and (2) arising out of Items or services provided by Supplier. Supplier's insurance shall be primary and non-contributing.
- B. Supplier shall also maintain labor insurance coverage in the amount required by law, and Employers' Liability Insurance with the limit of liability not less than NTD\$5,000,000.00 per occurrence.
- C. If Supplier is providing any professional service to Taisil in connection with the Items, Supplier shall purchase and maintain Professional Liability Insurance (including errors and omissions coverage) with limits of liability not less than NTD\$5,000,000 for each insurance claim.
- D. All of the foregoing insurance policies provided by Supplier shall (i) include a waiver of subrogation in favor of Taisil and its employees; and (ii) name Taisil as an additional insured. Supplier shall provide Taisil with properly executed Certificate(s) of Insurance prior to commencement of performance of the Purchase Order and other purchase agreements (if any) and shall notify Taisil, no less than thirty (30) days in advance, of any reduction or cancellation of the above coverages.

#### 12. COMPLIANCE WITH LAWS AND RULES

- A. Supplier shall comply with all national, state, and local laws and regulations governing the manufacture, transportation, import/export, and/or sale of the Items. Supplier shall comply with the latest RBACode of Conduct and all environmental, safety, health, labor and ethics laws and regulations at national, state and local levels. Neither Supplier nor any of its affiliate companies will export or re-export any technical data, process, or product directly or indirectly (including the release of controlled technology to foreign nationals from controlled countries), to any country for which the United States government or any agency thereof requires an export license or other government approval without first obtaining such license. Supplier hereby represents and ensures that it does not and will not supply to Taisil any conflict minerals (materials that directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo (DRC) and adjoining countries), including Tantalum (Ta), Tin (Sn), Tungsten (W), and Gold (Au). Supplier further agrees it will inform all of its own suppliers of this Section 13A and undertake to ensure that such policy is complied with by its own suppliers. Taisil shall have the right to audit Supplier's compliance at any time.
- B. If Supplier delivers any Items to Taisil, Supplier agrees to (a) comply with all of Taisil's safety and security regulations and all other pertinent safety regulations imposed by law, and (b) provide Taisil with evidence of insurance in accordance with Section 11 and 15B hereof. Supplier and its assigns, employees, representatives, subcontractors, and agents agree to comply with all instructions of Taisil's supervisory personnel and further agree not to hinder Taisil's operation. Non-compliance with the foregoing may, at Taisil's option, result in Taisil's cancellation of the pertinent Purchase Order

or purchase agreement for cause without assuming any damages or reimbursement to Supplier.

- C. Supplier shall comply with the anti-bribery provisions of the Foreign Corrupt Practices Act ("FCPA"), the principles set out in the Organization for Economic Cooperation and Development Convention Combating Bribery of Foreign Public Officials in International Business Transactions ("OECD Anti-Bribery Convention"), and with all local laws prohibiting bribery and similar unethical business practices, and with Taisil's Code of Ethics (the "Code"). Supplier hereby represents and warrants that, with regard to the business project that is the subject of the Purchase Order or purchase agreement, it has not paid, offered, promised or authorized, directly or indirectly, any improper benefit in violation of the FCPA, the OECD Anti-Bribery Convention, local law, or the Code. Supplier certifies that it is not a foreign official (which includes being an officer, employee, or representative of any foreign government, department, state-owned, state-controlled, or state-operated entity, or a public international organization, of any political party, or being a foreign political candidate). A payment, offer, promise or authorization that is prohibited under this provision will constitute a material breach of these Terms and Conditions and Taisil may, at its sole discretion, terminate the Purchase Order immediately upon written notification to Supplier. Supplier agrees to hold Taisil harmless from and against any loss or damages it suffers as a result of Supplier's violation of the FCPA, the OECD Anti-Bribery Convention, or local law, and further agrees to indemnify Taisil for any liability imposed as a result of Supplier's violation of the FCPA or local law. In addition, Supplier agrees to provide Taisil with reasonable and timely access to its books and records as may be necessary to ensure compliance with the FCPA, the OECD Anti-Bribery Convention, or to monitor compliance with this provision.

### 13. GENERAL INDEMNIFICATION

- A. Supplier shall, to the fullest extent permitted by law, protect, defend, indemnify, and hold Taisil harmless from and against any and all claims, liabilities, demands, penalties, forfeitures, suits, judgments, and the associated costs and expenses (including reasonable attorney's fees), which Taisil may hereafter incur, become responsible for, or pay out as a result of: (i) any breach of these Terms and Conditions; (ii) any negligent or willful acts, errors, or omissions by Supplier, its employees, officers, agents, representatives, or subcontractors in the performance of the Purchase Order; or (iii) any defects in Items which lead to death or personal injury (including bodily injury) to any person, destruction or damage to any property, contamination of or adverse effects on the environment, and any clean up costs in connection therewith, or any violation of law or governmental regulation.
- B. Notwithstanding Supplier's exemption under applicable laws or regulations, or as mutually negotiated between the parties, Supplier specifically undertakes to defend, indemnify, and hold Taisil harmless from any claims or liabilities asserted against Taisil by Supplier's employees.
- C. In the event Taisil settles dispute (including but not limited to litigation, arbitration, mediation) with Supplier or any third party, Supplier shall indemnify Taisil for any cost and expense incurred thereof.

### 14. RELATIONSHIP BETWEEN THE PARTIES

The relationship between the parties hereto is that of independent contractors. Nothing in these Terms and Conditions, purchase agreement or any Purchase Orders issued hereunder shall be construed as creating any employment, partnership, joint venture, or agency between the parties.

### 15. OWNERSHIP AND BAILMENT RESPONSIBILITIES

- A. Any Specifications, drawings, schematics, technical information, data, tools, dies, patterns, masks, gauges, test equipment, and other materials furnished or paid for by Taisil shall: (i) be clearly marked as Taisil's property and stored apart from Supplier's own documents or equipment and kept confidential; (ii) remain or become Taisil's property; (iii) be used by Supplier exclusively for the Purchase Orders; (iv) be kept in good working condition at Supplier's expense; and (v) be shipped to Taisil promptly on Taisil's demand.
- B. Supplier shall insure Taisil's property and be liable for loss or damage while in Supplier's possession or control, ordinary wear and tear excepted. The insurance coverage shall be approved by Taisil within seven days after applicable Purchase Order or purchase agreement is signed.

### 16. DEVELOPMENTS AND INTELLECTUAL PROPERTY RIGHTS

- A. Supplier represents and warrants that Supplier has no outstanding agreement or obligation that is in conflict with any of the provisions of these Terms and Conditions, the relevant Purchase Order or purchase agreement, or that would adversely affect Supplier's performance hereunder or Taisil's exclusive right to Developments (defined below). Supplier further represents and warrants that it shall not enter into any agreement during the term of the Purchase Order or any other purchase agreement which may hinder the performance of the Purchase Order or other contractual obligations between Taisil and Supplier.
- B. Supplier agrees that all works of authorship, inventions, improvements, developments, and discoveries conceived, made, or discovered by Supplier, solely or in collaboration with others, in the course of development of Items for Taisil hereunder as well as all patents, copyrights, trade secrets, trademarks, and other intellectual property rights therein and thereto (collectively, "Developments"), are the sole property of Taisil. Supplier agrees to assign (and agrees to cause to be assigned) and does hereby assign fully to Taisil all such Developments.
- C. Supplier agrees to assist Taisil or its designee, at Supplier's expense and Taisil's demand, in every proper way to secure Taisil's rights in the Developments, including the disclosure to Taisil of all pertinent information and data with respect thereto and the execution of all applications, Specifications, oaths, assignments, and other instruments which Taisil may deem necessary in order to apply for and obtain such rights, and in order to assign and convey to Taisil, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to such Developments, including (without limitation) the certificate of originality to be provided by Supplier and the assignment of intellectual property rights as reasonably requested by Taisil from time to time. Supplier further agrees that its obligation to execute or cause to be executed, any such application, Specification, oath, assignment or other instrument shall survive after the termination of the Purchase Order. In addition, Supplier agrees to assist Taisil in enforcing all patents, trademarks, copyrights, trade secrets, or other ownership rights to protect Taisil's exclusive interest in Developments.
- D. Taisil acknowledges and agrees that Supplier shall retain sole and exclusive ownership of, and/or unrestricted right to license, any invention, improvement, development, concept, discovery, or other proprietary information owned by Supplier. ("Supplier IP"). Notwithstanding the foregoing, Supplier agrees that if in the course of developing the Items, Supplier incorporates any Supplier IP into any Development, Supplier hereby grants to Taisil a non-exclusive, royalty-free, perpetual, irrevocable, worldwide license, including the right to sublicense, under any Supplier IP to make, have made, use, import, prepare derivative works of, reproduce, have reproduced, perform, display, offer to sell, sell, or otherwise distribute such invention, improvement, development,

concept, discovery, or other proprietary information as part of or in connection with such Development.

- E. Supplier hereby represents, warrants and agrees that it will not incorporate any third party intellectual property rights into any Development or deliverable provided hereunder without obtaining the prior written approval of Taisil.
- F. Supplier hereby waives any and all moral rights, including the right to identification of authorship or limitation on subsequent modification, that Supplier (or its employees) has or may have in any invention, materials, or other deliverables assigned to Taisil hereunder.
- G. Supplier warrants that all of its employees or contractors who perform work for it hereunder have entered into written agreements with Supplier which ensure that the work they do is subject to the terms and conditions of this Section 16.; and (2) it will not incorporate any developments into Items to be provided to Taisil which contain intellectual property not assignable or licensable to Taisil as provided in this Section 16 without Taisil's prior written consent.

#### **17. MODIFICATION, WAIVER, AND REMEDIES**

- A. The Purchase Order along with these Terms and Conditions contains the entire understanding between Taisil and Supplier with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, dealings, and negotiations. No modification, alteration, or amendment shall be effective unless made in writing, dated and signed by duly authorized representatives of both parties.
- B. No waiver of any breach hereof by either party shall be construed a waiver of any other prior or subsequent breach.
- C. Taisil's rights and remedies stated in these Terms and Conditions are in addition to any other rights and remedies provided by law or in equity.
- D. If any provision of these Terms and Conditions is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such determination shall not affect the validity of the remaining provisions unless Taisil determines in its reasonable discretion that the court's determination causes these Terms and Conditions to fail in any of its essential purposes.

#### **18. ASSIGNMENT**

Taisil is entitled to assign or delegate all or part of its rights and/or obligations towards Supplier to its contractors, subcontractors or affiliate companies. Supplier is not allowed to assign any rights or obligations toward Taisil nor subcontract any portion of its obligations without the written consent of Taisil. Should Supplier makes an unauthorized assignment of any right or obligation arising hereunder, such assignment shall be null and void, and Taisil may cancel the Purchase Order or relevant purchase agreement for cause accordingly without assuming any damages or liability to Supplier. For purposes of this Section 18, the acquisition, merger, consolidation, or change of control of Supplier or any assignment by operation of law shall be deemed an assignment that requires Taisil's written consent.

#### **19. FORCE MAJEURE**

Taisil shall not be responsible, in any manner, for any failure or delay in the performance of any of its obligations hereunder caused by a strike, lockout or other industrial disturbance, act of public enemies, any government action, any civil or military action, insurrection, riot, landslide, hurricane, drought, fire,

earthquake, explosion, flood, storm, act of God, pandemic, or any other cause or event not reasonably within Taisil's control (each, a "Force Majeure Event"). Supplier shall immediately notify Taisil in writing if its performance hereunder is hindered or delayed due to any Force Majeure Event and Taisil may either (i) extend time of performance, or (ii) terminate the uncompleted portion of the Purchase Order at no cost to Taisil.

#### **20. HEADINGS**

The headings provided in these Terms and Conditions are for reference only and shall not otherwise affect the interpretation hereof.

#### **21. DISPUTE RESOLUTION**

- A. The Purchase Order along with these Terms and Conditions is to be construed and interpreted according to the laws of Taiwan. Any dispute, controversy, difference or claim arising out of or relating to this contract, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by litigation in Taiwan Taipei District Court as the court of first instance.

#### **22. SPECIFIC PERFORMANCE**

Notwithstanding anything else contained in these Terms and Conditions, Taisil and Supplier specifically agree that failure to perform certain obligations undertaken in connection with these Terms and Conditions could cause irreparable damage, and that monetary damages may be inadequate to remedy in such event. The parties further agree that the failure to deliver the Items constitutes a failure to perform such obligations. Accordingly, it is agreed that, in addition to any other remedy available to the non-breaching party at law or in equity, the non-breaching party shall be entitled to an order of specific performance to enforce such obligations in any court procedure set forth in Section 21.

#### **23. SURVIVAL**

Any provisions herein that by their nature extend beyond the expiration, termination or fulfillment of the Purchase Order shall survive the termination, expiration or fulfillment of the Purchase Order. In addition, any right or legal obligation of a party contained in any addendum or amendment, which by its express term or nature would reasonably extend for a period beyond the term of the Purchase Order, shall also survive the termination, expiration or fulfillment of the Purchase Order for such extended period.

#### **24. ORDER OF PRECEDENCE**

- A. In the event of a conflict or inconsistency between these Terms and Conditions along with their revisions and the Purchase Order, Specification(s), and any other agreement executed by both parties the following order of precedence shall govern:
  - (i) These Terms and Conditions along with their revisions.
  - (ii) the agreement executed by both parties.
  - (iii) Any detailed conditions not belong to these Terms and Conditions set forth on the Purchase Order agreed by Supplier.
  - (iv) Specification(s).