



Terms and Conditions of Purchase

2019/Oct. Edition

This Terms and Conditions of Purchase (the "**T&C**") applies to all purchase orders (the "**POs**") that Catcher Technology Co., Ltd. and/or its subsidiaries and/or affiliates (i.e., Catcher Group; collectively, the "**Buyer**") issues to the Supplier for the procurement of products or services and constitutes an integral part of the purchase agreements (the "**PAs**") between the Buyer and the Supplier. The Supplier's acceptance of a PO, or execution of the PA, or performance of the obligations set forth in the PO/PA constitutes the Supplier's consent to accept and to be bound by this T&C.

I. Procurement of Products and Services

- (1) PO/PA: "**PO**" under this T&C means any purchase order issued by the Buyer for the procurement of products or services; "**PA**" under this T&C means any purchase agreement executed by the Buyer for the procurement of products or services, including but not limited to the Buyer's Purchase Agreement for Raw Material and Purchase Agreement for Equipment. The Buyer may, but is not obligated to, issue a PO to the Supplier or enter into the PA with the Supplier. The Supplier shall supply products or services to the Buyer pursuant to the relevant PO/PA. Unless signed and issued by a person duly authorized by the Buyer, no PO/PA will be legally binding on the Buyer. Unless otherwise agreed to between the Parties, the commercial terms, including the item names, specifications, dates of delivery, quantities, prices, payment methods, features and other requirements of the products or services to be procured shall be governed by the provisions of the relevant PO/PA.
- (2) Product or Service Requirements: Unless otherwise agreed to between the Parties, the specifications, features and other requirements of the products or services shall comply with those specified in the relevant PO/PA and other written documents (including e-mails) provided by the Buyer.
- (3) Submission of Documents: The Supplier shall submit to the Buyer the documents required for the procurement pursuant to the Buyer's request. Upon confirmation and acceptance by the Buyer, such documents shall be annexed to, become an integral part of, and have the same validity as the PO/PA, unless otherwise stipulated in the PO/PA.
- (4) If the Buyer is responsible for handling the import of the products or services to be delivered by the Supplier, the Supplier shall provide the Buyer with the documents required for the application of duty exemption within three (3) days following the Buyer's issuance of the



PO or the Parties' execution of the PA.

- (5) The Supplier shall provide the Buyer with the import certificate or the mill certificate; the Supplier shall also, before the issuance of the Letter of Credit (L/C), provide the Buyer with the documents required for the application of preferential tax treatments, including product catalogs, permits/certificates and other relevant materials.

II. Prices and Payment Methods of Products or Services

(1) Prices:

1. Unless otherwise agreed to between the Parties, the Parties agree that the prices and the applicable currencies of all products and services shall be governed by the provisions of the relevant PO/PA.
2. After the prices of the products or services have been agreed to between the Parties, the Supplier may not raise such prices for any reasons without the Buyer's prior written consent. If there is a decrease in the transaction costs of the products or services, the Supplier shall reasonably lower the prices of the products or services for the Buyer.
3. Unless otherwise specified in writing by the Parties, the prices set forth in the PO/PA all include, but are not limited to, the fees and costs of relevant accessories, services, travel and accommodation, all taxes, transportation, handling, packing/packaging, labelling, warehousing, insurance, and so on.
4. The Supplier shall be solely responsible for any additional fees and costs incurred due to any changes of tax laws, fluctuation of foreign exchange or otherwise, and may not request any increase in the prices originally agreed to by the Parties, unless otherwise specified in the relevant PO/PA.
5. When the Parties agree to make adjustments to the prices of the products or services, the new prices shall apply to all POs/PAs issued by the Buyer on and after the effective date of such price adjustments. The new prices may also apply to the PO/PA that had been issued but had yet to be performed before the effective date of such price adjustments if the Parties so agree.

(2) Audit and the Most-Favorable Prices:

1. The Buyer has the right to conduct regular audits on the equipment, plant, production process and relevant documents and materials of the Suppliers and its contractors and subcontractors approved by the Buyer. The Supplier shall fully cooperate with the Buyer's audits and shall ensure its contractors and subcontractors to accept and cooperate with the audits conducted by the Buyer.
2. The Supplier undertakes to supply the products or services to the Buyer at the



most-favorable prices and terms. If the prices or terms offered by the Supplier to a third party is more favorable than those offered to the Buyer, or if the Buyer discovers other sources of products or services that offer more favorable terms, the Supplier shall make adjustments to the prices and terms applicable to the Buyer accordingly so as to allow the Buyer to obtain the products or services at the most-favorable prices and terms.

(3) Payment Terms:

1. The Supplier shall, pursuant to the provisions of the relevant PO/PA, issue an invoice and submit the supporting documents and the Buyer's acceptance report to the Buyer to collect the relevant payment from the Buyer. The Buyer shall pay the invoiced amount following its acceptance of the products or services and its verification of the invoice and the supporting documents.
2. The Buyer's payment for the prices of the products or services and other fees stipulated in the relevant PO/PA shall be conditioned upon the Supplier's full performance of its obligations under this T&C and the relevant PO/PA. The Buyer's payment against any invoices or its acceptance report does not constitute the Buyer's acknowledgement that such products or services are free of defect or the Buyer's waiver of its rights to demand the Supplier's full performance of its obligations under this T&C and individual PO/PA.
3. The Buyer may, before making payments pursuant to the foregoing, deduct from such payments any penalties, punitive damages, compensation and otherwise owed and payable by the Suppliers to the Buyer; the Supplier may not raise any objections against such deductions.
4. Unless otherwise specified in this T&C or the individual PO/PA or agreed to in writing by the Parties in advance, each Party shall be solely responsible for the taxes arising out of its execution or performance of the relevant PO/PA in accordance with the law.

III. Order Process

- (1) Order: To procure the products or services, the Buyer will issue a PO or entire into the PA with the Supplier. All the POs/PAs must be made in writing. The delivery and notice of a PO may be done via electronic transmission (including but not limited to, via email or fax) while the PA must be delivered in hard copy and via post. The relevant PO/PA shall specify the item names, specifications, dates of delivery, quantities and other transaction terms of the products and services to be procured by the Buyer.

- (2) Notice of Acceptance:

1. The Supplier shall notify the Buyer of its acceptance or rejection of a PO within twenty-four (24) hours following its receipt of the PO (including POs that are



submitted electronically). If the Supplier fails to provide the foregoing notice within twenty-four (24) hours, it will be deemed to have accepted such PO.

2. Any additional terms included into a PO unilaterally by the Supplier upon its acceptance of such PO without the Buyer's prior written consent shall be invalid.
 3. This T&C applied to all POs/PAs between the Buyer and the Supplier issued but yet to be performed before this T&C takes effect.
 4. The Supplier acknowledges and agrees that any and all POs/PAs, upon acceptance of the Supplier, shall become a legal instrument that has a final and binding effect on both Parties; such instrument shall also include the following: (1) All provisions under this T&C and its attachments; and (2) any and all hand-written or printed text on the POs/PAs, provided that such text is not inconsistent with the provisions herein.
- (3) Notice of Rejection: The Supplier may not, without any legitimate reasons, reject any POs that are issued by the Buyer in accordance with this T&C. If the Supplier has legitimate reasons to reject a PO, it shall, on the "Rejection Notice", suggest a revision of such PO and specify the terms that it is willing to accept; the Buyer has the right to decide whether or not to revise the PO pursuant to the Supplier's terms and whether to procure the products/services from the Supplier. Unless accepted by the Buyer, the revision suggestions shall not be binding on the Buyer.
- (4) Change or Cancellation: If the Buyer needs to change or cancel a PO/PA after the issuance of such PO/PA for a procurement of products or services, the Supplier agrees to comply with the Buyer's request to change or cancel the PO/PA. If the Buyer is purchasing a product under such PO/PA, the Supplier understands and agrees that: (1) if the product is of standard specifications (or not customized products), the Buyer may change or cancel the PO/PA without any liabilities to the Supplier, and the Buyer is entitled to return the products that have been delivered but not yet used by the Buyer; (2) if the product is of non-standard specifications (or customized products), the Buyer may change or cancel the PO/PA if the products have yet to be delivered to the location designated by the Buyer; however, if the change or cancellation of a PO/PA is due to a cause attributable to the Buyer, the Buyer shall compensate the Supplier for the costs that had incurred; the amount of such compensation shall be paid upon confirmation by the Buyer. If the Supplier has shipped the products when it received the Buyer's notice of change or cancellation of the PO/PA, the Supplier shall be responsible for retrieving the products, and the Buyer shall assume reasonable amount of the transportation costs.

IV. Delivery and Acceptance



(1) Full Delivery:

1. The Supplier agrees to provide samples of the products or services to the Buyer in advance in order to verify the quality and specifications thereof. Upon verification of the quality and specifications of the samples, the Supplier shall delivery the products or services having the same quality and specifications as the approved samples to the Buyer pursuant to provisions of this T&C and the PO/PA issued by the Buyer.
2. Without the prior written consent of the Buyer, the Supplier may not delivery to the Buyer the products of which the quality is inconsistent with the approved sample.
3. The Supplier shall, on the delivery dates specified in the relevant PO/PA, deliver to the Buyer the products or services in the quantities, quality and specifications specified in the PO/PA. The Buyer shall obtain the ownership and other rights in and to the products or services specified in the PO/PA after the earlier of: The Supplier's delivery of such products or services, or the Buyer's payment of the total prices of such products or services.
4. The Supplier shall assign qualified and appropriate professionals to perform its obligations under this T&C.

(2) Warranty: The Supplier warrants that the title of any and all products or services delivered under this T&C and the PO/PA are free and clear of any lien, mortgage, encumbrance, security interest or other claims or rights. The risk of loss of the products will be transferred to the Buyer after the inspection and acceptance of such products. If the quantities, quality or specifications of the delivered products or services did not meet the requirements set forth in the relevant PO/PA, the Supplier shall remedy the incompliances or make appropriate replacement at its own cost after its receipt of the Buyer's notice of such incompliance. Unless otherwise stipulated in relevant PO/PA, the Supplier shall be solely responsible for the costs and fees arising from the object, transportation, insurance, arrangement of disassembling/unloading of the products or any remedial services. The Supplier shall also be solely responsible for any damages, losses, defects or delay in delivery of any products before the Buyer's inspection and acceptance of such products, except for where such damages, losses, defects or delay are attributable to the Buyer's willful or gross negligent.

(3) Packing Requirement: Unless otherwise specified in the relevant PO/PA, the Supplier shall, pursuant to the Buyer's instructions, the products specifications/requirements and applicable laws and regulations, transport the products using appropriate packing methods based on set volumes and quantities (but in no event shall such methods be less stringent than the industry common practice) to prevent damages during transportation and to



facilitate easy unloading/loading, handling and warehousing.

- (4) Terms of Shipment: Unless otherwise agreed to between the Parties, all products shall be delivered by the Supplier DDP (subject to Incoterms 2010 or such latest version if Incoterms has been replaced or amended). The delivery of the services shall be subject to the relevant PO/PA between the Parties.
- (5) Transportation Cost and Insurance: Unless otherwise stipulated in the relevant PO/PA, the Supplier shall be solely responsible for the costs of transporting the products to the location designated by the Buyer and for obtaining commercially reasonable insurance policies for the products covering the losses and damages that might occur during the transportation process. The Supplier shall be liable for compensation if the Buyer suffers any damages due to the Supplier's failure to obtain such insurance policies, any underinsurance or delay in insurance payout.
- (6) Delay: Once the Supplier becomes aware that the delivery of its products or services might be delayed, it shall notify the Buyer of the reasons and extent of such delay within twenty-four (24) hours. Unless otherwise agreed to by the Buyer in writing, the Buyer has the right to cancel the relevant PO/PA in part or in whole if the products are not delivered by the originally scheduled date of delivery. If the Supplier's performance has been delayed for causes attributable to the Buyer, or due to an occurrence of force majeure events or restrictions of the law or regulations that cannot be reasonably controlled by the Supplier, the Supplier shall notify the Buyer in writing of its progress of performance and the delivery deadline may be extended by the Buyer based on the actual state of relevant events; otherwise, the impact of the force majeure event on the Supplier's performance may not be recognized and the Supplier shall still be liable for breach of contract.
- (7) Partial Delivery: Without the Buyer's prior written consent, the Supplier may not perform any partial delivery of any PO/PA. Unless a partial delivery is requested by the Buyer, the Supplier shall be solely responsible for any additional costs arising out of any partial delivery of products or services.
- (8) Pre-Delivery Inspection: The Supplier shall conduct a self-inspection on the products or services before the delivery therefore to verify whether such products or services meet the agreed specifications, features and requirements. The Buyer may, before the delivery of the products or services, conduct inspection and testing of the products or services at the place where such products are stored, or another place agreed upon by the Parties. Such inspection and testing are conducted in areas including but are not limited to the specifications, features, parts/components, packaging and methods of preservation of such products or services so as to ensure that the features and quality thereof meet the demands



of the Buyer. The Supplier shall also provide the Buyer with any and all information necessary for the inspection and testing process.

(9) Inspection and Acceptance:

1. The Buyer shall carry out the inspection and acceptance procedure upon its receipt of the products or services provided by the Supplier. Unless otherwise specified in the relevant PO/PA, all products and services shall strictly adhere to the inspection and acceptance standards or specifications agreed upon by the Parties. The Supplier shall also provide all information required for the Buyer to carry out the inspection and acceptance procedure. For any disputes arising out the inspection and acceptance standards between the Parties, such disputes may be submitted to a neutral third-party agency approved by the Parties for resolution. The costs incurred from such dispute resolution process shall be borne by the Supplier.
2. The Buyer inspection or acceptance does not constitute the Buyer's agreement that the Supplier's products or services are free of any defects. If, after the inspection and acceptance, the Buyer discovers that the features or quality of any of the products or services provided by the Supplier failed to meet the standards agreed upon by the Parties, the Suppliers shall be held liable in accordance with this T&C or applicable laws and regulations.
3. The Suppliers shall provide the Buyer with the necessary testing instruments or tools to facilitate the inspection and acceptance procedure.
4. The Supplier shall warrant that the products or services are in line with relevant national standards and regulations and shall also warrant that all products and their parts/components and consumables are all brand new, and that the products and services do not and will not infringe upon any third-party intellectual property rights or other rights.
5. If the Buyer's subject of procurement is equipment under the relevant PO/PA, the inspection and acceptance procedure shall be carried out after the Supplier has completed the installation and commissioning of such equipment. The equipment delivered by the Supplier shall meet the inspection and acceptance standards (including but not limited to the item names, equipment specifications, drawings, wiring diagrams, parts list (or the assembly drawing for the equipment), and preliminary trial reports (for the equipment of the Parties and the consumed parameters thereof) contained in the relevant quotation, relevant PO/PA and the attachments thereof); the inspection and acceptance procedure of products or services shall be considered completed upon the issuance of the acceptance notice by the Buyer.

6. Except for where relevant causes are attributable to the Buyer's willful or gross negligence, if, before the issuance of the acceptance report, the products, the parts/components or the consumables thereof or the services provided by the Supplier have any malfunction, defects, damages or incompliances with the agreed specifications or any other issues that lead to any failure of inspection or acceptance, the Supplier shall comply with one or more of the Buyer's requests below:

- i. The Supplier shall accept the return of the unqualified products or services, and shall, at the Supplier's risks and expenses (including but not limited to transportation fees, customs duties and insurance), replace the unqualified products or services within the specified period of time;
- ii. The Supplier shall repair or rectify the products or services within the specified period of time, or allow the Buyer to engage a third party to carry out such repair or rectification at the Supplier's expenses;
- iii. The Buyer may refuse to accept the products or services in part or in whole under the relevant PO/PA and source similar products or services from a third party with all additional costs subsequently incurred (including but not limited to transportation fees, customs duties and insurance) being borne by the Supplier;
- iv. The Buyer may rescind or terminate the relevant PO/PA in part or in whole;
- v. The Supplier shall compensate the Buyer for any losses, damages and additional costs (including but not limited to the costs incurred from product returns/replacement or defective services, suspension of production lines, recalls or other business losses); or
- vi. The Buyer may ask the Supplier to produce analysis reports or remediation proposals in respect of the unqualified products or services within the specified period of time.

(10) If the products to be delivered by the Supplier are raw materials and if such products did not pass the inspection and acceptance standards, the Buyer may ask the Supplier to pay punitive damages equivalent to 1% of the total price of the relevant PO for every day between the originally scheduled delivery date and the day such products passed the inspection and acceptance standards; the additional costs and expenses incurred due to such unqualified raw materials shall also be borne by the Supplier. The Buyer has the rights to suspend any and all payments to the Supplier starting from the day that the raw materials delivered by the Supplier failed to pass the inspection and acceptance standards. If the Supplier's raw materials have failed to pass the inspection and acceptance standards for multiple times, the Buyer has the rights to unilaterally terminate the Supplier's status as



a supplier to the Buyer, and the Supplier may not raise any objections in this regard.

- (11) Without the Buyer's prior written approval, the Supplier may not subcontract its obligations to provide products or services under this T&C to a third party. If the Supplier's designation of a third-party subcontractor has been approved by the Buyer, the Supplier shall still be obligated to ensure that such third-party performs relevant works in full compliance with the provisions under this T&C and the relevant PO/PA and shall be jointly and severally responsible with such third-party for the performance of such obligations.

V. Warranty Period and Product Warranty

- (1) Definition: The Supplier shall provide warranties (free of charge) on all products and services it provides for the period specified on relevant PO/PA (the "**Warranty Period**"; for a minimum of twelve (12) months) following the completion of the inspection and acceptance procedure for the relevant products or services. During the Warranty Period, the Supplier shall warrant that all products or services delivered pursuant to this T&C and the relevant PO/PA are in full compliance with the agreed specifications and their designs, raw materials, processes or service procedures are free of defects. If the delivered products or services failed to meet the abovementioned warranties, the Supplier shall, at the option of the Buyer and at the expense of the Supplier, replace or repair the defective products or services free of charge, or provide a refund plus interest to the Buyer for such defective products or services, or engage a third-party to provide the products or services free of defects. The Supplier shall be liable for compensating the Buyer for any costs or damages actually incurred by the Buyer due to such defects. Any and all costs, expenses, and damage compensation liabilities incurred by the Supplier due to defects of products or services or breach of other warranty obligations are in addition to and shall not affect any of the Buyer's rights to make claims under this T&C or applicable laws and regulations.
- (2) Scope: The free warranty covers everything except for consumables, wearing parts and damages or malfunctions caused by natural disasters or the Buyer's negligence. During the Warranty Period, the Supplier provides the "three warranty services" (i.e., the Supplier shall be responsible for repair, replacement and refunds where damages are caused by non-human factors), and all replacement components/parts shall be brand name and of the same grade/level as the original components/parts. Unless otherwise specified in the relevant PO/PA or agreed upon between the Parties, the replacement components/parts shall be warranted for at least twelve (12) months following their replacement date regardless of whether the warranty for the products where the components/parts are being replaced has expired.



- (3) Details: During the Warranty Period, if the Buyer needs the Supplier to provide on-site maintenance checks and calibration, the frequency and time of such services shall be specified in the relevant PO/PA.
- (4) Warranty Certificate: The Supplier shall issue a warranty certificate to the Buyer upon the completion of the inspection and acceptance procedure and the receipt of the final payment of the relevant products or services.
- (5) Defective Performance: Except for the malfunctions caused by a force majeure event and/or the Buyer's willful or gross negligence, for any malfunctions of products occurred during the Warranty Period, if the Supplier is unable to repair such products to meet the Buyer's requirement of normal usage, the Buyer may ask the Supplier to replace the defective products with brand new products or products of the same grade and type as the original products or re-perform the services. The Buyer may deduct from any payments to the Supplier the damages the Buyer suffered due to such defective products or services; if the amount of such payments is insufficient to cover such damages, the Buyer may claim the shortfall against the Supplier.
- (6) Repair and Maintenance: If the products provided by the Supplier require repair or maintenance services, the Supplier agrees to abide by the following provisions:
 - 1. The Supplier shall provide warranties (free of charge) on its products starting from the day after the Buyer has inspected and accepted such products. During the Warranty Period, except for those caused by force majeure events such as natural disasters or attributable to the Buyer, the Supplier shall be responsible for removing or repairing all obstructions or damages occurred during the normal course of usage, including to provide free components/parts and consumables; for any obstructions or damages caused by force majeure events, the costs of replacement for the relevant components/parts and consumables shall be charged at the market prices based on the market information that the Buyer has obtained.
 - 2. Except for obtaining the Buyer's prior written consent, the Supplier shall, within twenty-four (24) hours following its receipt of a damage or malfunction notice from the Buyer (on a working day), notify the Buyer of the time for the on-site repair; otherwise, a 0.1% of the relevant PO/PA amount shall be charged for every day of the delay until the damage or malfunction have been repaired or resolved. If the Supplier fails to notify the Buyer of the time for the on-site repair within three (3) working days, the Buyer may engage a third party to carry out the repair at the expense of the Supplier, provided that the costs of repair shall be capped at the total price of the relevant PO/PA.
 - 3. If the Supplier fails to complete the repair within the agreed timeframe for the repair of



such products or services, the warranty period shall be temporarily tolled until the completion of the relevant repair works.

4. After the expiration of the Warranty Period, the costs for repairing and replacing components/parts shall be charged based on the unit prices set out in the replacement price lists; for components/parts of which the prices are not listed on such price lists, the costs of replacement shall be agreed to by the Parties.
5. For any non-compliances or defects found in the components/parts and consumables, the Supplier shall, at the option of the Buyer, rescind the PO/PA in part or in whole, conduct repair or replacement, or provide compensation to the Buyer for such non-compliances or defects; the Supplier may not raise any objections in this regard. If the Buyer elects to have the non-compliances or defects repaired or replaced, the Supplier shall complete such repair or replacement within the timeframe specified by the Buyer and be responsible for all costs and damages incurred due to such repair or replacement.

VI. Quality

- (1) Supporting Documents: The Supplier shall provide adequate documents or certificates to prove that the safety and quality of its products or services have received proper safety and quality certification.
- (2) Additional Inspections and System Integration: Subject to the Buyer's reasonable prior notice and compliance with the Supplier's precautions and safety requirements, the Buyer or its designated representatives may inspect the Supplier's production and repair facilities, including but not limited to raw materials, equipment related to the Supplier's manufacturing processes or service procedures, testing data, inspection data, reliability analysis, failure analysis, data regarding any corrective actions and training materials.
- (3) Quality and Safety Control: The Supplier shall assign its duly authorized representatives to deal with issues related to the quality and safety control of the products or services with the Buyer. If the Supplier becomes aware of any actual or potential safety issues or risks related to its products or services, the Supplier shall promptly notify the Buyer within twenty-four (24) hours of its discoveries of such issues or risks.
- (4) Product Installation and Commissioning (applicable to products that require installation and commissioning):
 1. The Supplier shall assign experienced personnel to perform its obligations under this T&C and assign appropriate personnel to carry out any and all relevant installation; such personnel shall strictly comply with the Buyer's safety and workplace rules and may not wear slippers, smoke, chew betel nuts, or consume alcoholic beverages or



"medicinal wine" on the Buyer's premises. The Buyer may conduct random/spot checks to ensure the Supplier's compliance of such rules. If the Supplier has been proven to have violated any of such rules, the Buyer may impose a penalty on the Supplier. The Parties agree that any and all penalties shall be imposed pursuant to Annex I (Penalty Schedule).

2. The Supplier shall fully comply with laws and regulations applicable to occupational safety and health/sanitation when performing its obligations and shall assign proper professional technicians to supervise and ensure the safety and performance of relevant works depending on the nature of relevant products. The Supplier shall be solely responsible for damage compensation and all civil and criminal liabilities if the Buyer's equipment or personnel or a third party's life or property has been damaged or been put at risk due to any labor safety or health/sanitation accidents.
3. If the Buyer believes, based on concrete evidence, that certain installation worker dispatched by the Supplier is incompetent at his/her job, the Buyer may request the Supplier to replace such worker by providing the Supplier with specific reasons for such replacement; the Supplier shall replace such worker within two (2) working days following the Buyer's request.
4. The Buyer may assign its personnel to carry out the following pursuant to and within the scope of this T&C and the relevant PO/PA:
 - i. Provide opinions on the product installation schedule proposed by the Supplier and the actual installation;
 - ii. Supervise the installation workers dispatched by the Supplier;
 - iii. Conduct checks or spot inspections on the incoming products and during the performance of any tasks.
5. After the installation of a product or its components/parts or consumables and before the Buyer's issuance of acceptance reports, the Supplier shall be solely responsible for any relevant loss, delay, and defect, except for where the loss, delay and defect of the product or its components/parts or consumables are caused by the Buyer's willful or gross negligence and shall therefore be assumed by the Buyer.
6. If the Buyer needs to use a part of the product that has been installed, the Buyer may conduct the inspection and acceptance procedure on the part of the product that has been installed, and the Supplier shall inform the Buyer of any instructions regarding the use of such part of the product. As for the part of the product where the installation has yet to be completed, the Buyer may, without interfering with the Supplier's works, use such part of the product upon approval of the Supplier.



7. Upon completion of product installation, the Supplier shall remove all its equipment from the Buyer's premises; if the Buyer fails to retrieve its equipment within certain period of time and without any legitimate reasons, the Supplier shall be deemed to have abandoned its ownership of such equipment; the Buyer is not responsible for keeping such equipment and has the right to dispose of such equipment as waste, and the expenses of such disposal shall be borne by the Supplier.
8. Upon completion of installation of the products, the Supplier shall dispose of and clean up all residual materials, packaging materials and waste, and shall be responsible for ensuring the cleanliness of the premises at its expenses.
9. If the products delivered by the Supplier require commissioning:
 - (1) The Supplier shall be solely responsible for the expenses and arrangement of dispatching the commissioning personnel, including the expenses of air travel, meal, accommodation, transportation and other applicable allowances.
 - (2) The Supplier shall provide the Buyer's personnel who will be involved in using the Supplier's products with free training sessions during the commissioning period or any period designated by the Buyer, to familiarize such personnel with the operation, maintenance and basic repair of such products. If the relevant PO/PA or its annexes include other agreements regarding such training session, the training session shall be implemented pursuant to the relevant PO/PA.
 - (3) The Supplier shall first perform the commissioning of its products on its own premises to ensure their compliance with this T&C and the relevant PO/PA, including but not limited to the compliance with the criteria set out in the inspection and acceptance standards.
 - (4) If any damages or defects are discovered during the commissioning period, the Supplier shall promptly replace the defective products with brand new products at its own expenses.
- (5) Notice of Suspension: The Buyer may, based on quality or safety reasons, request the Supplier to suspend the delivery of products or services in part or in whole, and the Supplier agree to immediately suspend the relevant deliveries. Under such circumstances, the Buyer's performance of its obligations under Article II. (Prices and Payment Methods of Products or Services) will immediately be suspended, until the Buyer has requested the Supplier to resume the delivery of relevant products or services.

VII. Damage Compensation

- (1) The Supplier shall defend, indemnify and hold harmless of the Buyer and its officers, directors



and employees from any and all liabilities, claims, penalties, losses, damages and expenses (including reasonable attorney's fees) arising out of: (1) any untrue or misleading representations or authorization by the Supplier or any concealment thereof; (2) the Supplier's any breaches of contracts; (3) any willfulness or negligence, errors or omissions related to the services or conducts under this T&C or the PO/PA by the Supplier or its officers, directors, employees or agents; (4) any damage compensation claims against the Buyer for product or service liabilities; or (5) any violations of relevant laws and regulations.

(2) The Supplier shall be liable for any and all costs, expenses, losses and damages incurred by the Buyer due to any defects of the product or services, late delivery or installation, any breaches of this T&C or the PO/PA, or any warranties by the Supplier; the Buyer may first offset such relevant amount against any payables to the Supplier.

(3) Delayed Delivery

1. The Supplier undertakes that all deliverables will be delivered at the location and by the time specified in the relevant PO/PA. Except for where delays are caused by force majeure events or anything attributable to the Buyer, the Supplier shall provide the Buyer with delay penalty equivalent to 0.1% of the total price of the relevant PO/PA for every day of the delay, provided that the amount of the delay penalty shall be capped at the total price of the relevant PO/PA.

2. If the Supplier's delivery of the deliverables is delayed for seven (7) days or more, the Buyer is entitled to rescind the relevant PO/PA and request the Supplier to compensate the Buyer for the damages it has suffered therefrom.

(4) The punitive damages under this T&C are in addition to and will not affect the Buyer's right to raise a compensation claim against the Supplier under this T&C, the relevant PO/PA or other contracts. If the amount of the damages actually suffered by the Buyer exceeds the amount of punitive damages specified in this T&C, the Supplier shall still be liable for compensating the Buyer for its damages.

(5) The Supplier shall liable for the damage compensation of default under this T&C as long as the Buyer assume that the Supplier has violated this T&C. Only in the case that the Supplier could prove whether no intentional or negligent of itself, or innocence of its behavior.

VIII. Termination

(1) Immediate Termination: The Buyer may, without a judgment of the court, terminate the relevant PO/PA in part or in whole at its sole discretion under any of the following circumstances: (1) the Supplier ceases its normal operation of business, declares bankruptcy, accept or allow the assignment of a receiver or an bankruptcy administrator



over its business and assets for the benefit of its creditors, or become a party to the proceedings initiated under the Bankruptcy Act or other laws and regulations for the protection of creditors; or (2) the control over the Supplier has been transferred to a third party and such third party was not in control of the Supplier when the relevant PO/PA was executed, and the Buyer has reasons to believe that such change of control is in conflict of the Buyer's commercial interests. "Control" refers to in this paragraph shall mean: (1) holding 50% or more voting shares or other securities with voting rights in the Supplier; or (2) has the power or authorization to appoint or elect 50% or more directors of the Supplier or appoint or dismiss the majority of the management team members of the Supplier.

- (2) Unilateral Termination: Unless otherwise agreed upon between the Parties, the Buyer has the right to terminate the relevant PO and/or PA under any of the following circumstances:
1. The Supplier's delay of performance has exceeded seven (7) working days (following the deadline specified in the relevant PO/PA);
 2. The Supplier fails to install and commission the relevant deliverables within thirty (30) days of the delivery to the Buyer;
 3. The Supplier is in breach of this T&C and fails to remedy the breach within the timeframe specified by the Buyer in writing;
 4. A non-performance of relevant PO/PA has lasted for thirty (30) days or more due to force majeure events; or
 5. Other material breaches of this T&C or the PO/PA.
- (3) The termination of any PO/PA will not affect any Party's right to claim damages accrued before such termination. Upon termination of a PO/PA, the Buyer has the right to decide whether the Supplier should continue to perform the portion of such PO/PA that has yet to be delivered. If the Buyer asks the Supplier to continue its performance of such PO/PA, the Supplier shall continue to perform its obligations under this T&C and the PO/PA.

IX. Intellectual Property Rights and Relevant Warranty

- (1) The Supplier shall warrant that the products it provides and such products' components/parts and consumables, technologies, software, information or services do not infringe upon any third party's patent, copyright, trademark, trade secrets, industrial designs, IC circuit or other intellectual property rights, and are not involved in any other infringements. The Supplier shall be solely liable and hold the Buyer harmless for any infringements mentioned above. If the Buyer has suffered any damages due to such infringements, the Supplier shall exercise its best effort to implement any and all necessary corrective measures to minimize the Buyer's damages and shall compensate the Buyer for such



damages.

- (2) Unless otherwise agreed upon between the Parties, all intellectual property rights arising out of the Supplier's performance of this T&C or the PO/PA (including but not limited to patent, copyright, trademark, trade secret, industrial designs, IC circuit or other intellectual property rights as well as the right to apply for the foregoing) shall belong to the Buyer; the Supplier may not raise any objections in this regard.

X. Force Majeure

Following the completion of relevant inspection and acceptance procedure by the Buyer, if any damages, losses, delayed performance or non-performance of this T&C or the relevant PO/PA have been caused by any force majeure events, including but not limited to flood, fire, earthquake, war, strike, blockage, spread of an epidemic, or other natural disasters, the Parties agree to suspend the performance of this T&C and the relevant PO/PA during the force majeure event. The Supplier shall immediately notify the Buyer in writing of any occurrences of force majeure events; the Parties shall conduct negotiations regarding the subsequent performance of the relevant PO/PA.

XI. Product Discontinuation

The Supplier agrees to ensure the continuous supplies of all products and their components/parts and consumables for at least three (3) years following the expiration of the Warranty Period for the last delivery of products by the Supplier. If the Supplier is planning to discontinue the production of certain products (the "**Discontinued Products**"), the Supplier shall notify the Buyer in writing three (3) months before such discontinuation and provide the Buyer with alternatives. The Supplier may only discontinue such products upon the Buyer's confirmation of the quantities of the last PO/PA and the Supplier's full performance of such PO/PA. If the Supplier discontinues any products without complying with the foregoing requirements, the Supplier shall, apart from providing the Buyer with products of same functions or other alternatives (at the Buyer's option), be liable for compensating the Buyer for its losses and damages, including but not limited to the additional costs and expenses incurred by the Buyer due to the shortage of such products or the materials thereof.

XII. Confidentiality

- (1) "Confidential Information" referred to in this T&C means any and all confidential information directly or indirectly provide by the Buyer to the Supplier in oral or written forms, including but not limited to, any and all operating plans, production and marketing plans, procurement plans, new product development plans, product pricing plans, tooling



drawings, samples, prototypes/models, products under development, client information, contractual terms, computer programs, databases, blueprints, engineering designs, manufacturing processes, manufacturing methods, product formula, specifications, other patterns/diagrams, descriptions, charts/table, disks/tapes, video/audio tapes, masks, non-public inventions or creations, know-how, and other relevant information. If Confidential Information has been disclosed via non-written forms, the Buyer shall, within thirty (30) days following such disclosure, notify the Supplier in writing of the confidential nature of the disclosed information and the scope thereof.

- (2) "Confidential Information" referred to in this T&C does not include the following:
1. Information that has been in the public domain before the disclosure thereof;
 2. Information legally owned by the Supplier before the disclosure thereof;
 3. Information that has been voluntarily provided by the Buyer to a third party under no confidential obligations;
 4. Information that the Supplier has obtained from a third party through legal means;
 5. Information developed by the Supplier independently without using any Confidential Information;
 6. Information made public with the Buyer's written consent; or
 7. Information disclosed pursuant to the requirement of the law or a court order.
- (3) Unless otherwise agreed to in writing by the Buyer, the Supplier may only use the Confidential Information provided by the Buyer for the purposes and within the scope of the "business relationships" between the Parties. The Supplier shall exercise the due care of a good administrator to implement the safety/security precautions to ensure the confidentiality of the Confidential Information. The Supplier may only disclose the Buyer's Confidential Information that it has become aware of or possessed to its employees, agents or contractors (collectively, "Supplier Personnel") on a need-to-know basis; the Supplier shall also ensure and procure that the Supplier Personnel shall be bound by the confidential obligations the same as those herein.
- (4) Unless otherwise agreed to in writing by the Buyer in advance, the Supplier may not disclose the Buyer's Confidential Information to any third party or allow any third party to become aware of the Buyer's Confidential Information via any means of disclosure whether orally or in writing, or make copies, reproductions, deliveries, image/video recordings, dissemination or distribution electronically, or through publication of articles; the Buyer also may not sell, assign, deliver or authorize the Buyer's Confidential Information to a third party for the benefit of its own or a third party. The Supplier shall be deemed in breach of contract if the Supplier Personnel violates the confidential obligations under this T&C;



under such circumstances, the Supplier shall be jointly and severally liable for compensating the Buyer's damages incurred due to such breach.

- (5) If the Supplier becomes aware that any Confidential Information has been improperly or illegally disclosed, used or exploited, the Supplier shall immediately notify the Buyer so as to allow the Buyer to adopt any and all necessary protective measures. The Supplier shall also provide the Buyer with relevant information and necessary assistance.
- (6) The Buyer shall be entitled to maintain the ownership to its Confidential Information. If the Buyer requests the Supplier to destroy or return the Confidential Information, the Supplier shall permanently destroy or return the Confidential Information and all copies thereof to the Buyer without keeping any backups. Upon the destruction of the Confidential Information, the Supplier shall issue an affidavit to certify the completion of such destruction.
- (7) The Buyer holds all patents, trademarks, copyrights, trade secrets and any other rights under the law in and to the Confidential Information that it provides to the Supplier. Without the Buyer's prior written consent, the Supplier may not reproduce, adapt or use the Confidential Information in any other manners. The Buyer's delivery or disclosure of the Confidential Information to the Supplier does not constitute any license of any intellectual property rights or other rights to the Supplier. The Supplier hereby agrees not to infringe upon any rights of the Buyer; otherwise, the Supplier shall be liable for compensating the Buyer for all damages (including attorney's fees) the Buyer has suffered due to any infringement.
- (8) Without the Buyer's prior written consent, the Supplier may not file any application or make any registration regarding any trademarks, works, inventions, utility models, designs, methods, technologies, processes, formula, or program (collectively, the "**Intellectual Property**") in and to the Confidential Information disclosed by the Buyer to the Supplier. The Supplier may not disclose the Intellectual Property, or any derivative works thereof to any third party via any means, or use the Intellectual Property for any purposes other than those specified under this T&C.
- (9) The Supplier agrees to be permanently bound by the confidentiality obligations starting from the day it received the Confidential Information.
- (10) The Confidential Information is provided by the Buyer "as is"; the Buyer does not warrant the accuracy and completeness of such Confidential Information.

XIII. General Provisions

- (1) Entire Agreement: This T&C (including its Annexes), the POs and the PAs constitute the entire agreement between the Parties and supersede all prior oral or written agreements or arrangements made before the execution of the PO/PA. Any changes, modifications or



amendments to the PO/PA shall not become binding upon the Buyer without the confirmation signed by the Buyer's authorized representative. The PO/PA and the attachments thereof constitute an integral part of and have the same binding effect as this T&C.

- (2) Severability: If any of the provisions under this T&C (including its Annexes) or the PO/PA is deemed invalid by any competent court, the remaining provisions shall still be binding on both Parties.
- (3) Waiver: The Buyer's failure to exercise its rights under this T&C, the PO, the PA or other contractual rights against the Supplier (including where the Buyer implements corrective measures on its own, accepts the Supplier's corrective measures, and/or accepts any products or services) shall not affect the Buyer's rights to further exercise its rights under this T&C, the PO, the PA or other contractual rights against the Supplier. The Buyer's any waiver (which must be made in writing) of any right to claim damages against the Supplier shall not constitute a waiver to any other right to claim damages against the Supplier under similar circumstances in the future.
- (4) Amendment: Unless otherwise provided in this T&C, any changes, termination, expansion or updates of any provisions under the PO or the PA shall be made in writing and will only become binding on both Parties upon the execution by the Parties' respective authorized representatives.
- (5) Modification: Unless otherwise agreed to between the Parties in writing, the Buyer has the right to amend this T&C, and the amended T&C shall apply to any PO issued by the Buyer or any PA executed between the Parties following the Buyer's notice to the Supplier of such amendment.
- (6) Assignment: Without the Buyer's prior written consent, the Supplier may not assign any of its rights or obligations under this T&C or the PO/PA in part or in whole to any third party.
- (7) Others: See the Annexes.
- (8) Guarantor: The Supplier shall, upon the Buyer's request, produce a guarantor and procure such guarantor's consent to the following: (1) The guarantor shall be jointly and severally liable with the Supplier for contract performance or damage compensation without any objections or excuses or delay once the guarantor is notified by the Buyer that, based on this T&C, the PO, the PA or other agreements between the Parties, the Supplier has failed to comply with, failed to perform, delayed the performance, or only partially performed this T&C, the PO, the PA or any other agreements or contractual obligations between the Parties; (2) the guarantor shall not be entitled to the rights under Article 745 of the Taiwan Civil Code (or such rights under any of the competent jurisdictions); (3) the guarantor's



guarantee period shall commence on the effective date of the PO/PA and end on the termination date of such PO/PA; and (4) the guarantor agrees that any disputes arising out of this paragraph regarding the guarantor's guarantee obligations shall be submitted to arbitration under the arbitration clause in this T&C.

XIV. Order of Precedence

The following order of precedence shall apply in the event of any inconsistencies between this T&C and other documents: (1) the PO/PA; and (2) this T&C.

XV. Governing Law and Jurisdiction

- (1) Governing Law: Any and all matters related to this T&C and the PO/PA, and anything not specified in this T&C and the PO/PA shall be governed by the law of territory where the Buyer is incorporated.
- (2) Arbitration: The Parties shall exercise their best effort to resolve any and all disputes arising out of this T&C and all PO/PA or its attachments in good faith. If such disputes cannot be resolved through mutual agreement, the Parties agree to submit such disputes to arbitration. If the Buyer is incorporated in Taiwan, the Parties agree to submit the disputes to the Kaohsiung Regional Office of the Chinese Arbitration Association, Taipei (the "CAA"), in accordance with the ROC Arbitration Act and the arbitration rules of the CAA. If the Buyer is incorporated in the People's Republic of China (the "PRC"), the Parties agree to submit the disputes to the Shanghai Sub-Commission of the China International Economic and Trade Arbitration Commission (the "CIETAC") in accordance with the laws of the PRC and the arbitration rules of the CIETAC. The arbitration tribunal shall consist of three (3) arbitrators. Each Party shall appoint one (1) arbitrator and the two (2) arbitrators so appointed shall designate by common agreement the third arbitrator who shall be the president of the tribunal. The arbitration award shall be binding on both Parties.

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Annex I (Penalty Schedule)

No.	Item	Description	Penalty (NT\$/occurrence)	Remark
1	Personal Discipline	Smoke at non-smoking area/chew betel nuts on the premises and compromise the cleanliness of the environment	3000	
2		Smoke in areas involving any flammable or combustible works/consume alcoholic beverages and "medicinal wine" on the premises	5000, plus a permeant ban from the premises	
3		Fail to wear personal protective gears (including but not limited to wearing slippers)	200	
4		Insult or threaten any fellow employees due to any complaint filed against you	2000, plus a one-month ban from the premises	
5		Commit violent acts against any fellow employees due to any complaint filed against you	5000, plus a permeant ban from the premises and liability of any legal ramifications	
6		Fail to wear your Personal ID Badge at a visible spot	100	
7		Fail to apply for your Personal ID Badge	1000	
8		Falsify or make any unauthorized changes to your Personal ID Badge	1000	
9		Other breaches of the national or local laws and regulations, or the Catcher Group's rules and policies	Appropriate amount of penalty will be imposed depending on the circumstances	
10	Organizational Management	Bring in flammables, combustibles, toxic and other high-risk hazardous substances into the premises without authorization	5000	
11		Borrowed the Catcher Group's properties (e.g. billboard) and then damaged or lost the same	The amount of penalty shall be the equivalent of three	

			(3) times the value of the lost or damaged item	
12		Borrowed the Catcher Group's properties (e.g. billboard) and failed to return the same on time	100	Individually imposed on each day of the breach
13		Borrowed the Catcher Group's properties (e.g. billboard) and failed to keep the same clean	100	
14		illegally recruited construction workers under the age of 18	3000	
15		Allow employees to carry out construction works on the premises without any training	1000	
16		Allow people aged 55 or older or people with special diseases, who are legally banned from conduction work of height and high-risk special works, to conduct such works.	1000	
17		Allow one single employee to carry out high-risk construction works	1000	
18		Failed to issue and sign the "construction report" or delay in submit the same to the environment, health and safe (" EHS ") office for all construction works on the premises; or the information provided in such report is untrue	200	
19	Organizational Management	Fail to notify the EHS office to conduct checks on the high-risk tools brought into the premises by vendors within four (4) hours of the appearance of such tools on the premises.	1000	
20		Fail to label the name of the supplier on the tools deemed high-risk by the Catcher Group; fail to promptly notify the EHS office upon the expiry of any relevant certificates	500	

21		Alter or falsify any certificate or move any certificate to any uncertified/unqualified tools	1000	
22		Make any alteration to any high-risk tools after their certification or use any high-risk tools after they suffered any damages	500	
23		Fail to adopt any correction measures after being notified of any corrective requirements regarding high-risk tools, and continue to use such high-risk tools	1000	
24		Conduct any hot work at high-risk areas without filing appropriate applications	3000	Amount could be increased depending on the severity of the breach
25		Conduct any high-risk works at general areas without filing appropriate applications	1000	
26		Fail to put up proper notices for high-risk works on the premises and at the location of such works	100	
27		Fail to put up warning signs at the location of high-risk works	100	
28		Fail to return the warning signs to the EHS office after the completion of high-risk works	100	
29		Fail to arrive at a meeting that you have received a notice about within 10 minutes of its commencement	100	
30		Fail to arrive at a meeting that you have received a notice about within 10 minutes of its commencement and also leave the meeting early before its conclusion	200	
31		Fail to attend at a meeting that you have received a notice about	500	
32	Maintenance of the	Discharge sewage, waste oil, etc. without approval, cause pollution of the	3000~10000	Amount could be increased

	Environment	environment and invite inspection of the government agencies		depending on the severity of the breach
33		Discharge sewage, waste oil, etc. without proper approval, cause pollution of the environment but did not invite inspection of the government agencies	3000	Amount could be increased depending on the severity of the breach
34		Dispose of hazardous wastes, solvents, flammables, etc. without proper approval	1000	
35		Place tools/materials in an unruly manner and cause an obstruction of passage ways or hoist entrance; fail to file the proper application for any stacks of tools/materials	200	
36		Fail to place the tools/materials or construction wastes in the approved temporary stacking area; expand the approved temporary stacking area without authorization; fail to set up fences, proper notice or application forms for the temporary stacking area, or the relevant application has expired	200	
37	Maintenance of the Environment	Fail to move any items pursuant to the results of negotiation with the EHS office and the EHS's notice	200	An additional NT\$100 will be imposed on each day of the delay in remedying the breach
38		Dispose of any construction wastes or hazardous wastes together with daily garbage	1000	
39	Work of Height	Fail to secure or provide adequate stability to the scaffolding (or other structures)	500	
40		Place and operate dynamical machines or equipment on the scaffolding (or	500	

		other structures)		
41		Overload the scaffolding (or other structures) with too much material or personnel beyond its legal limit	1000	
42		Fail to set up containment measure around the scaffolding (or other structures) to prevent falling of tools or materials during the performance of work of heights	1000	
43		Fail to suspend all outdoor works in the event of strong wind and heavy rain	1000	
44		Fail to wear safety belts where the construction conditions require so	500	
45		Conduct works of heights in with insufficient lighting	200	
46		When carry out works on the scaffolding (or other structures), the workers are moving the scaffolding while standing on the scaffolding, or the workers' position on the scaffolding is leaning to one side, or in other similar high-risks situations	1000	
47	Hot Work Requirements	No fire prevention manager has been assigned to the areas of hot work, or the designated fire prevention manager is absent from areas of hot work	200	
48		Fail to remove or contain all flammables inside the scope of the hot work	1000	
49		Fail to set up effective fire prevention and fire extinguishing facilities at the sites of hot work	500	
50		Fail to set up prevention measures for works that produce flying sparks, such as cutting, grinding and welding	200	
51		Fail to place proper labels on the oxygen or acetylene tanks/cylinders; or fail to store such tanks/cylinders in proper categories; or fail to put	100	

		protective caps on such tanks/cylinders		
52		The pressure valves, pressure meters, anti-backfire valve or the normal functions of the oxygen or acetylene tanks/cylinders fail to operate properly, or the rubber pipes thereon are broken, or the connection points of such pipes are not secured with a pipe hoop or pipe clamp	200	
53		Workers performing electric welding or other works that require the proper certificate do not have the proper certificate or his/her certificate has expired	1000	
54	Hoist Operation	Workers conducting hoist operation do not have the proper certificate or his/her certificate has expired	1000	
55		Hoist equipment has not been inspected annually	200	
56		The hook of the hoist equipment does not have an anti-slip latch	100	
57		The hoisted items are not properly bundled and secured; the weight of the hoisted items exceeds the legal limit; the hoisted items are unstable; the hoist operation is being conducted without a command or the directions given by the command is confusing	500	
58		Hoist operation is being conducted under insufficient lighting	500	
59		A person is standing within the one-meter radius of the hoist operation	1000	
60		Fail to set up effective containment measures at the operating sites	1000	
61		Fail to deploy proper venting equipment and conduct checks on the gases inside the space to ensure the safety of the works before the start of the works	1000	
62	Working in Confined Spaces	Fail to assign safety and supervisory	500	

		personnel around the confined spaces where relevant works are performed		
63		Fail to put up proper warning signed when carrying out works in confined spaces	200	
64		Fail to wear qualified safety protective gears when working in confined spaces	1000	
65		Fail to keep the passage ways to the entrance clear	500	
66	Temporary Electricity Supply	Place electrical wires on damp ground or fail to secure the electrical wires or arrange them in an organized matter, thus compromising the safety of the workers	200	
67		Using electric wires with broken rubber sleeves or rubber sleeves with poor insulation or no rubber sleeves to plug in any outlets or inside any distribution panels, or allow the electric wires to become overloaded, thus running the risks of causing accidents	500	
68		Fai to correctly set up the fuse box or circuit breaker; fail to properly ground the exterior case of any electrical equipment; fail to property ground the electric welding equipment (putting the welding clamps on non-welding materials, thus running the risk of electrification accidents)	200	
69		Fail to ground the distribution panel; the electric wires do not have crimp terminals; the electric wires are not properly labelled, random materials are placed inside the distribution panel	100	
70		The plugs or relays are not placed inside the distribution boards; the electric wiring is not properly installed inside the distribution boards through the bottom of such board	100	

71		The exterior case of the welding machine is not properly grounded or has not automatic anti-shocking equipment, or the wiring are not properly insulated or covered by rubber casing; the equipment has not been properly installed (e.g., there are more than one export wiring, etc.); the automatic anti-shocking equipment cannot function properly; the electric welder does not have its own dedicated wiring	200	
72		Fail to turn off the power of the machineries after work	100	
73	Special Equipment	Fail to notify the EHS office when forklifts or other special equipment are brought onto the premises; fail to provide the quality and safety inspection certificate for such equipment	1000	
74		The speed of a forklift exceed 15km/h on the premises and exceed 5km/h inside the space of commissioning	200	
75		Workers operate special equipment without proper certificate	200	
76		Involving in other risks and violations regarding the operation of special equipment	Appropriate amount of penalty will be imposed depending on the severity of the risks	
77	Accident Response	Fail to suspend all works and evacuate all workers to safety when there is concerns of immediate danger on the premises	3000	
78		Fail to immediately notify the person in charge and the EHS office upon the occurrence of any occupational accidents pursuant to the accident reporting procedures	3000	
79		Fail to provide an oral report (within 1 hour) or an accident report (within 12	1000	



		hours) to the contractor's management committee following an accident on the premises		
80		Conceal or alter the truth regarding the cause the development of the accidents; mislead, circumvent or obstruct the investigation or handling of the accident	5000	
81		Use or destroy fire prevention facilities (e.g. use the fire hose to lift items or fetch water, or move the fire extinguishers) or emergency response equipment (irrigator/flusher, emergency cart, etc.) in an non-emergent situation	1000	
82		Conduct any works that require proper certificates or permits without such certificates or permits	1000	
83		Cause the Catcher Group's personnel or equipment to suffer damages due to an employee's personal factors or errors in carrying out the construction works	Appropriate amount of penalty will be imposed depending on the severity of the damages	
84		Continue to conduct works after being notified to suspend such works	3000	
85		Fail to remedy any safety concerns after being notified of such safety concerns by a safety officer	1000	



Annex II (Suppliers' Code of Conduct)

Suppliers' Code of Conduct

When engaging in business activities (including but not limited to the supply of raw materials and machineries/equipment, sale and purchase of products, contracting of construction projects or provision of services; collectively, "Business Engagements") with Catcher Technology Co., Ltd. and/or its subsidiary and/or affiliate (collectively, the "**Catcher Group**"), the Supplier shall follow the Suppliers' Code of Conduct.

A. Integrity Policy

I. Definition

The capitalized terms used in this Integrity Policy shall have the following meaning:

- (1) "Affiliate" means a business organization of any forms where its equity, finance, technology, production, procurement, market or personnel is directly or indirectly controlled or managed by other corporations or its subsidiary or parent.
- (2) "Improper Gains" include but are not limited to the provision of bribery, kickback, commission, profit-sharing, stocks (phantom stocks) or any similar behavior of investment, thank-you payment, improper gifts, donations, treat/entertainment, loan or other similar activities.
- (3) "Related Party" means spouses, parents, children, siblings, paternal grandparents, maternal grandparents, paternal grandchildren, maternal grandchildren, and other close families or friends.

- II. The Supplier confirms that it has read and shall strictly comply with the integrity management policies and relevant rules set out by the Catcher Group for all counterparties, and shall not promise, demand, offer or provide any briber or Improper Gains to any employees or other Related Parties and/or designees of the Catcher Group, or directly or indirectly provide benefits/advantages to any employees or other Related Parties and/or designees of the Catcher Group.
- III. If, during any business interactions with the Catcher Group, the Supplier becomes aware that any of the Supplier's and the Catcher Group's employees in charge of such business are "Related Parties" with each other, the Supplier shall immediately notify the Catcher Group of such fact.
- IV. If the Supplier is responsible for storing or using the Catcher Group's properties, the Supplier may not have any intention to misappropriate or embezzle the Catcher Group's properties or conduct any corruptive activities for the its own or others' benefits.
- V. The Supplier may not seduce or entice any of the Catcher Group's personnel to leave the Catcher



Group or to do anything in contravention of his/her job duties for the benefit of the Supplier or others.

- VI. If any of the Catcher Group's employees demands, offer or obtain any bribes or Improper Gains from the Supplier, or do anything that directly or indirectly benefits him/herself and/or his/her designees, the Supplier shall report such activities to the Catcher Group and provide relevant evidence. If the Supplier becomes aware that the Catcher Group's other counterparties are in violation of the Integrity Policy, the Supplier shall also notify the Supplier and provide relevant evidence.
- VII. If the Supplier is in breach of any laws or the Integrity Policy, the Catcher Group has the right to immediately suspend, rescind or terminate all business activities between the Supplier and the Catcher Group. The Catcher Group also has the right to suspend any business proposals that are under negotiation (but have yet to be concluded) between the Supplier and the Catcher Group, and may remove the Supplier from the Catcher Group's list of counterparties. The Supplier shall compensate the Catcher Group for its damages and pay the Catcher Group punitive damages equivalent to 100 times the value of the Improper Gains; the Catcher Group has the right to set off the amount of such punitive damages against any account payables by the Catcher Group to the Supplier.

B. Corporate Social Responsibility

The Catcher Group's "Declaration of CSR" has been published on the Catcher Group's official website (<http://www.catcher.com.tw/>). The Supplier shall carefully read and comply with the published "Declaration of CSR" and shall check the Catcher Group's official website for any updates thereof and shall comply with the latest amended version of such statement at any time.

C. Transaction Process and Operating Guidelines

The Supplier shall exercise its best effort to foster the amicable cooperation, to facilitate the business transactions, and to maintain the mutual interest and development between the Parties. As some potential issues innate to the performance of transactions between the Parties may affect the interest of and cause losses for each Party, in order to effectively regulate the transactions between the Supplier and the Catcher Group and to ensure the Supplier's performance of its obligations, the Supplier shall comply with the following transaction process and operating guidelines:

I. The Supplier's Provision of Information and Documents

The Supplier shall, pursuant to the Catcher Group's requirements, fill out the "Supplier's Profile Application" and the "Supplier's Investigative Information Form" and shall provide relevant supporting documents. In addition, if the information or relevant documents provided by the



Supplier has been changed in any way, the Supplier shall promptly notify the Catcher Group of such changes. The Supplier shall ensure that all the information it provided in such application and form is complete, accurate and true. If there are mistakes, omissions, false representation or concealment contained in such information or documents, the Supplier shall be solely responsible for any legal ramifications. If the Catcher Group suffers any losses (including but not limited to any additional expenses, costs, government fines or third-party claims) due to the Supplier's violation of the foregoing, the Supplier shall be solely liable for compensation.

II. Compliance with the Quotation

The Supplier shall comply with the effective period and amounts specified in the quotation submitted to and approved by the Catcher Group, and shall accept the Catcher Group's PO pursuant to such quotation; otherwise, the Supplier shall provide the Catcher Group with punitive damages equivalent to 20% of the total price of the relevant PO. The Supplier agrees that the Catcher Group may directly set off the amount of such punitive damages against any account payables by the Catcher Group to the Supplier. If there are no outstanding account payables, the Supplier shall provide a separate payment to the Catcher Group for such punitive damages.

III. Confirmation of Purchase Order/Purchase Agreement

Before the delivery of any products or services, the Supplier shall obtain an effective PO/PA approved by the Catcher Group and shall confirm the prices (unit and total prices), delivery date, exchange rate and the applicable currency regarding such PO/PA before deliver any products/services. Upon verification of such PO, the Supplier shall sign and return a copy of such PO to the Catcher Group. Upon verification of such PA, the Supplier shall sign and send PA to the Catcher Group.

IV. Terms of Delivery

- (1) All deliveries are subject to the Catcher Group's receiving, stocking, and inspection/acceptance procedures. No payments will be provided for any deliveries that did not go through such receiving, stocking, and inspection/acceptance procedures. The PO/PA number, part number and the filled out vendor's delivery note must be provide at the time of delivery; otherwise, the Catcher Group's warehouses has the right to reject such delivery, and the Supplier shall not issue an invoice and receive payment for such delivery. Apart from the delivery note (the delivery note must be submitted at the time of the delivery, and may not be submitted later), any and all supplementary information (including but not limited to the relevant PO) must be provided to the Catcher Group within three (3) days and must be submitted within the same calendar month.
- (2) Unless otherwise agreed upon between the Parties, the Supplier shall issue an invoice on the day of each delivery and attach the same to such delivery and submit to the Catcher Group's warehousing and management division at the time of delivery.
- (3) The Supplier shall submit both the Catcher Group's standard delivery note and the Supplier's



own delivery note to the Catcher Group before every delivery. The Catcher Group's standard delivery note can be downloaded and printed on the Suppliers' Delivery Platform. The Supplier shall verify the quantities of products with the Catcher Group's on-site warehousing personnel in charge of receiving products upon delivery of any products; such warehousing personnel shall sign and obtain the receipt of the delivery note. Any changes to the quantities or any products shall be noted on the delivery note and be signed by such personnel for the relevant delivery note to become effective. The Catcher Group has the right to reject any delivery that comes with no delivery note.

- (4) The normal business hours of the Catcher Group's warehouses for receiving deliveries are 8:30 am to 12:00 pm and 13:00 pm to 17:30 pm, Monday through Friday. No delivery will be received outside of such normal business hours.
- (5) An emergency delivery may be delivered and received outside of such normal business hours upon the Catcher Group's approval. But all emergency deliveries must be signed off and confirmed by a manager or a person holding a higher job level from the business unit requiring such delivery at the Catcher Group. Apart from the delivery note (the delivery note must be submitted at the time of the delivery, and may not be submitted later), any and all supplementary information (including but not limited to the relevant PO) must be provided to the Catcher Group within three (3) days and must be submitted within the same calendar month.
- (6) Except for the product remnant, all products shall be packed at the fixed quantity and volume in boxes and with the Supplier's name, product name, part number, quantity, unit, manufacturing date, shelf life, and effective expiry date be labelled on the individual packaging of the products. If the Supplier fails to comply with the foregoing, the Catcher Group has the right to reject the relevant delivery or adopt other measures regarding such delivery.
- (7) If a transaction involved cross-border delivery or transportation, the Supplier shall provide the Catcher Group with all materials required for its import customs clearance procedures (including but not limited to Packing List (P/L), Invoice (I/V), Proforma Invoice (P/I), Bill of Lading (B/L), etc.). The Supplier shall also ensure that all information provided in the abovementioned is complete, accurate and true. If there are mistakes, omissions, false representation or concealment contained in such information or documents, the Supplier shall be solely liable for any legal ramifications. If the Catcher Group suffers any losses (including but not limited to any overpayment of taxes, customs clearance fees or fines) due to the Supplier's violation of the foregoing, the Supplier shall be liable for compensation. If the Catcher Group is eligible to apply for any tax incentives or other subsidies, the Supplier shall provide the Catcher Group with relevant documents or certificates (including but not limited to product catalogues) and actively assist the Catcher Group in completing the aforementioned filing and application procedures.
- (8) If the Catcher Group's personnel or property suffers any losses during the delivery process of



the Supplier, the Supplier shall provide the Catcher Group with full compensation and the Catcher Group is still entitled to raise any claims based on such losses.

- (9) The relevant material certificate and ex-factory inspection report shall be submitted for every delivery. If the products are raw materials to be used for the Catcher Group's production, a SGS report and safety data sheet (SDS) shall also be submitted.
- (10) To simplify the product receiving procedure and to facilitate the inspection and acceptance process for the Supplier's products, the Supplier shall collaborate with the Catcher Group's delivery requirements. If the Supplier has any questions, it shall contact the Catcher Group's supply chain management & strategic procurement division (Tel: +886-6-2539000).

V. Terms of the Inspection and Acceptance

- (1) The inspection and acceptance standards shall be conducted pursuant to the Catcher Group's quality inspection standards and its spot check/inspection plan. If a delivery has been rejected because the quality of certain products are deemed to be abnormal or certain products failed to pass the inspection and acceptance standards, the Supplier shall complete the retrieval process within three (3) days of its receipt of the rejection notice; otherwise, the Supplier shall provide the Catcher Group with NT\$500 of punitive damages for each day of the delay (starting from the fourth (4th) day following the receipt of the rejection notice). If the Supplier fails to complete the retrieval process within five (5) days, the Supplier shall state the reasons of such delay to the Catcher Group's representatives at the Catcher Group's office; otherwise, all account payables for that month will be delayed for one (1) month, while the Supplier is still obligated to pay the NT\$500 punitive damages for each day of the delay.
- (2) The Supplier shall submit the material data sheet and inspection report for each batch of the products at the time of their stocking. Deliveries of forgeries/fakes/counterfeits are strictly forbidden. If the Supplier changes the brand, materials or specifications of the products without the Catcher Group's prior consent, or if there are any untrue statements in the submitted material data sheet or inspection reports, to the extent that the quality of such products fails to meet the Catcher Group's inspection standards, the Supplier shall provide the Catcher Group with punitive damages equivalent to twice (2) the contract price of such products and shall compensate the Catcher Group for its damages and losses.
- (3) In the event that certain products delivered by the Supplier are deemed defective by the Catcher Group's IQC (inspection/acceptance personnel), if a special procurement is still to be carried out due to a production emergency, then in principle, the price of such delivery shall be lowered by 10%, which shall be deducted from the payment of such delivery; however, if an extraordinary circumstances require extra manpower to sort out the defective products on the production lines in order to respond to a production emergency, then the Catcher Group may charge the Supplier NT\$5,000 per day for the lease of its premises and the management fees. If any of the Catcher Group's employees are required to participate in the sorting process, labor fees (NT\$600 per person per hour) shall also be charged, provided that the



aggregation of the foregoing costs and fees shall not exceed the total price of the relevant PO/PA. If the foregoing causes the Catcher Group's tools, equipment, supplies, casting, workpieces or work hours on the production lines to suffer any damages or losses, or affect the Catcher Group's production, or cause any suspension of production or endanger the safety of life and property of relevant personnel, the Supplier shall be liable for all damages and losses suffered by the Catcher Group therefrom.

- (4) In the event that any product defects are discovered by the Catcher Group's client due to the limitation of the Catcher Group's inspection equipment or time constraint, or if such defects are not covered by the key inspection items designated by the Catcher Group's client, the Catcher Group may deduct NT\$500 or 0.5% of the product payment (the higher of the foregoing two shall apply) each time from the monthly payment of such delivery; the Supplier shall also compensate the Catcher Group for the costs of re-works and losses incurred due to replacement parts or products. If such defects cause a suspension of production lines for the Catcher Group's clients, the Catcher Group may deduct NT\$500 or 0.5% of the product payment (the higher of the foregoing two shall apply) each time from the monthly payment of such delivery; the Catcher Group may also deduct the amount of losses suffered by its client from such suspension of production lines from the product payments. However, the aggregated amount of the foregoing punitive damages and expenses shall not exceed the total price of the relevant PO/PA, except for where the actual damages suffered by the Catcher Group or its clients exceed the aforementioned amount of compensation.
- (5) If the quantity or the name of the products delivered is inconsistent with those specified on the relevant PO/PA, the Catcher Group may deduct NT\$500 or 0.5% of the product payment (the higher of the foregoing two shall apply) from the monthly payment of such delivery. In the event that the same defective deliveries occur consecutively within a month, an accumulative penalty shall be imposed with an extra NT\$500 or 0.5% of the product payment (the higher of the foregoing two shall apply) for each additional defective delivery. However, the aggregated amount of the foregoing punitive damages shall not exceed the total price of the relevant PO/PA.
- (6) If the Supplier has willfully concealed any shortages in any deliveries, the Supplier shall provide the Catcher Group with punitive damages equivalent to twice (2) the total price of the relevant PO/PA. If the delivery involves import customs clearance procedure and the Catcher Group suffers any damages and losses (including but not limited to any overpayment of taxes, customs clearance fees or fines) therefrom, the Supplier shall be liable for compensating the Catcher Group.
- (7) The Supplier shall make all deliveries by the delivery date specified on the relevant PO/PA.

VI. Terms of Billing

- (1) All account statements for the deliveries made in any given month shall be provided by the 25th day of that month for confirmation. The Supplier shall issue invoices to the Catcher



Group by the end or the 30th day (the earlier of the two shall apply) via fax or post.

- (2) If the Supplier fails to issue correct and complete billing statements or invoices within the agreed timeframe, the Catcher Group has the right to delay the payment pursuant to the payment terms until the Supplier has completed all the supplementary submissions. The Supplier shall be solely responsible for any additional taxes and administrative fines incurred.
- (3) The billing statements shall include the total amount of account payables as well as any deductions (refund or rebate); the actual billing amount shall be the total amount of account payables less the deductions (if any). If there are any delinquent payments of previous invoices, the Supplier shall provide detailed information on such invoices for the Catcher Group's verification. Such delinquent payments will be paid upon verification of the Catcher Group's finance division.
- (4) In the event that the billing statements are delivered via fax, the receiver of such statement shall be the Catcher Group's strategic procurement division; fax: +886-62538766. No return envelopes are necessary if the billing statements are delivered via post.
- (5) Unless otherwise agreed to between the parties, the Catcher Group shall pay the invoices via bank transfer. If the Supplier fails to pick up any cheques pursuant to the Catcher Group's notice and causes such cheques to become invalid, NT\$1,000 of compensation shall be paid by the Supplier for every re-issuance of such cheques.

D. Policy of Restriction of Hazardous Substances

- I. **The Catcher Group's "Management Guidelines regarding Supplier's Restrictive Use of Hazardous Substances" has been published on the Catcher Group's official website (<http://www.catcher.com.tw/>). The Supplier shall carefully read and comply with such guidelines.**
- II. The Supplier understands that changes may be made to international environmental laws and the Catcher Group's relevant environmental requirements. The Catcher Group is not obligated to inform the Supplier of such changes. The Supplier shall be solely responsible to keep itself updated on such environmental requirements and may not disclaim any responsibility on the grounds of its oblivion of such requirements. If the Supplier is in breach of any such environmental requirements, the Catcher Group may remove the Supplier from the Catcher Group's list of qualified suppliers; the Supplier shall be responsible for unconditionally compensating the Catcher Group for any damages that it suffered due to the Supplier's breaches of such requirements.

E. Damage Compensation

The Supplier acknowledges and agrees that the Supplier and its guarantor shall be jointly and severally liable for paying the Catcher Group US\$20,000 of punitive damages for any of the Supplier's willful or



negligent misconducts or omissions or any breach of the Suppliers' Code of Conduct. If the Catcher Group suffers other damages (including but not limited damages to its finance, image, competition or strategy, or allowing any third party to receive Improper Gains), the Supplier and its guarantor shall be jointly and severally liable for compensating the Catcher Group without any objections in this regard. If the Supplier has any willful or negligent violation of Section B "Corporate Social Responsibility" or Section D "Policy of Restriction of Hazardous Substances" above, the Catcher Group may negotiate the amount of the punitive damages with the Supplier; but if the Catcher Group has suffered other damages (including but not limited damages to its finance, image, competition or strategy, or allowing any third party to receive Improper Gains), the Supplier and its guarantor shall be jointly and severally liable for compensating the Catcher Group without any objections in this regard. Only in the case that the Supplier could prove whether no intentional or negligent of itself, or innocence of its behavior.

F. Miscellaneous

The Catcher Group's audit or management divisions are in charge of handling any complaints or reports regarding the Suppliers' Code of Conduct. Please contact the following:

Tel: +886-6-253-9000 ext. 1103 or 1300

Fax: +886-6-253-9989

E-MAIL: audit.tw@catcher-group.com or amy.chen@catcher-group.com