

# General Conditions of Procurement (Taiwan)

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## 1 General

- 1.1 These Conditions shall be an integral part of the offer submitted by supplier (“**Seller**”) to Envalior (“**Buyer**”) and the contract between Buyer and Seller and of all future purchase or work and materials supply contracts with the Seller.
- 1.2 Conflicting or deviating conditions of delivery stipulated by Seller or other reservations made by Seller shall not be deemed accepted unless Buyer has expressly accepted them in writing for a specific order.
- 1.3 Any amendments or side agreements shall not be effective unless Buyer has accepted them in writing.

## 2 Seller’s Offer

- 2.1 Seller’s offer shall cover exactly the quantities and qualities specified in Buyer’s request and shall expressly state any potential deviation from Buyer’s request.
- 2.2 The offer shall be submitted free of charge and without any obligation being imposed on Buyer. Remuneration for offer submission or cost estimates must be agreed in writing.
- 2.3 Seller shall notify Buyer in writing without undue delay if Seller has technical concerns or is aware that Buyer’s requisition is (potentially) incomplete or has errors.

## 3 Conclusion of Contract

- 3.1 A contract is concluded between Buyer and Seller when Buyer places a purchase order based on a Seller offer, or upon execution of a purchase agreement.
- 3.2 Orders and alterations to orders shall be made in writing (exchange of email suffices). In case of doubt, verbal agreements, or arrangements discussed over the phone shall only be binding if confirmed in writing.
- 3.3 Upon receipt of Buyer’s purchase order, Seller shall immediately check the order for detectable errors, ambiguities, incompleteness, and unsuitability of the specifications selected by the Buyer for the intended use. Seller shall inform Buyer immediately of any necessary changes or clarifications to the order.
- 3.4 Each order or alteration to an order shall be confirmed by Seller in writing.
- 3.5 Seller shall always state Buyer’s order number in all correspondence with Buyer, including any invoice.
- 3.6 An existing contract may only be amended in written form. Any waiver of this requirement must be in written form. For the avoidance of doubt, the written form requirement is met when electronic documents with facsimile signatures are exchanged or when the Parties use a standard online document signature service or requisition tool (such as SAP).

## 4 Shipment

- 4.1 Unless agreed otherwise, Seller shall deliver any goods to the agreed Buyer facility according to Incoterms DAP.
- 4.2 When Seller dispatches the goods, Seller shall send Buyer dispatch notes for each consignment separately from the goods and invoice. All goods shall also be accompanied by a delivery note and packing slip.
- 4.3 If the goods are sent by ship, the shipping papers and invoice shall state the name of the shipping company and of the ship.
- 4.4 Seller shall choose the mode of transport most favorable and most suitable for Buyer. Seller shall show in full the order reference number and point of unloading specified by Buyer in all dispatch notes, delivery notes, packing slips, bills of lading and invoices, on the outer packaging of the goods and elsewhere if appropriate.
- 4.5 Seller shall always label, pack and ship dangerous goods in compliance with the appropriate national or international regulations. The accompanying documents shall show not only the risk category but also any further particulars required by the appropriate transport regulations.
- 4.6 Seller shall reimburse Buyer for any additional costs incurred by Seller’s noncompliance with the provisions in this section.
- 4.7 Any consignments of which Buyer is unable to take delivery because of Seller’s non-compliance with these provisions shall be stored at Seller’s expense and risk. Buyer shall have the right to ascertain the contents and condition of such consignments.

Construction tools and equipment shall not be loaded together with goods.

## 5 Insurance

- 5.1 Seller shall take out at his own expense adequate liability insurance to cover damages resulting from services rendered or goods delivered to Buyer. Upon Buyer’s request, Seller shall submit insurance certificate copies.
- 5.2 Seller shall insure any machines, tools, and other items loaned to Buyer against the risk of loss or damage. Buyer shall not be liable for damage or loss of these items caused by slight negligence.

## 6 Suspension and Termination

- 6.1 Buyer is entitled to suspend the performance of its obligations in whole or in part or to terminate the Agreement with immediate effect, without prejudice to its right to claim damages and without any compensation to or indemnification of Seller a) in case Seller has been declared bankrupt, is in a state of liquidation, has ceased or suspended whole or substantial parts of its business, is subject of a court order or preventative legal scheme of settlement, b) in case of non-compliance with section 18, or c) for convenience by written notice to Seller in which case Buyer and Seller shall negotiate reasonable termination charges limited to Seller’s inevitable costs of materials and labor incurred to the date of termination.

## 7 Delivery

- 7.1 Unless otherwise stipulated in the order, the place of performance shall be the point of delivery specified by Buyer.
- 7.2 The agreed delivery timeline commences on the date of Seller’s receipt of Buyer’s purchase order.
- 7.3 Early or partial deliveries require Buyer’s written consent.
- 7.4 If Seller believes he cannot meet, or meet in time, any of his contractual obligations, he shall inform Buyer thereof without undue delay, stating the reasons and the estimated delay duration.
- 7.5 Title to and risk in any delivered goods shall pass to Buyer upon delivery at the point of delivery specified by Buyer, or acceptance, if applicable.

## 8 Inspection of Deliveries

- 8.1 Upon receipt of a delivery, Buyer shall examine whether the delivery corresponds to the order. Buyer shall also examine the shipment for apparent defects.
- 8.2 If Buyer discovers any deficiency during these inspections or at any later stage, he shall inform Seller accordingly.

## 9 Testing

- 9.1 This section applies only if Seller’s goods are subject to testing by Buyer.
- 9.2 Seller shall inform Buyer not less than one week in advance of the date on which the goods will be ready for testing and shall agree with him a test date.
- 9.3 Seller shall bear the costs of such tests, including his own personnel costs, but excluding Buyer’s personnel costs.
- 9.4 If the test fails or cannot take place due to Seller’s fault, Seller shall bear Buyer’s personnel costs.
- 9.5 Seller shall bear all costs for the material certificates required for the primary materials.

## 10 Work on Buyer’s premises

- 10.1 If Seller performs assembly, construction or maintenance work on Buyer’s premises, Seller’s personnel shall observe Buyer’s safety and conduct regulations for contractors. If Seller’s staff does not receive these regulations from Buyer, it must request them from Buyer’s staff.
- 10.2 Buyer shall not be liable for any of Seller’s items that his personnel brought onto Buyer’s premises.
- 10.3 When working on Buyer’s premises Seller shall comply with all applicable safety, health, and environmental instructions, avoid soil and groundwater pollution, limit air and noise pollution on Buyer’s site, and comply with Buyer’s site, site access, and IT-regulations. Seller must, at its own cost, arrange for proper and safe transport and equipment, as well as skilled and qualified

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staff, able to speak Buyer's local language and/or English, to work in a safe, healthy, and environmentally responsible manner.

### 11 Production Documents and Tools

- 11.1 All drawings, standards, guidelines, methods of analysis, recipes and other documents supplied by Buyer to Seller for the manufacture of the goods, as well as any such documents prepared by Seller according to special instructions from Buyer, shall remain Buyer's property and shall not be used for any other purpose, reproduced, or made available to third parties by Seller. Seller shall, if so requested, return them to Buyer without undue delay.
- 11.2 Seller shall supply to Buyer in good time, at no extra cost to Buyer and without being specially requested to do so, all documents needed by Buyer for the use, erection, installation, processing, storage, operation, servicing, inspection, maintenance, or repair of the goods supplied.
- 11.3 Whenever Buyer specifies standards or regulations, the latest version shall apply. Upon Buyer's request, Seller shall supply Buyer with his works standards and regulations.
- 11.4 Molds, models, tools, films, etc. that Seller produced to execute the order shall become Buyer's property upon payment, even if they remain in Seller's possession. Seller shall be obliged to hand them over to Buyer upon request.

### 12 Invoicing

- 12.1 Seller's invoiced line-items, quantities and prices shall correspond to (and not exceed) Buyer's purchase order.
- 12.2 Any additional or deleted services or supplies shall be stated separately in the invoice.
- 12.3 Should Seller reduce his prices or grant better conditions to all customers after Buyer has placed his order and before delivery, Seller shall procure that these reduced prices and improved conditions are reflected in his invoice.

### 13 Payment, Assignment of Claims

- 13.1 Unless otherwise agreed, payments shall be due 90 days after delivery and receipt of invoice.
- 13.2 Payment does not represent an acknowledgement that Seller performed as contractually agreed.
- 13.3 Seller may only assign or transfer any contractual claims with Buyer's written permission. Buyer may assign this agreement to an affiliated company, meaning any entity which directly or indirectly controls, is directly or indirectly owned, or controlled by, or under common control with Buyer.

### 14 Warranty and Defect Remediation

- 14.1 Seller warrants the proper functioning of the goods and warrants that the goods will be in conformity with the specifications and requirements, be unused, of certified materials and workmanship, free from all defects and from all liens and encumbrances, pledge or right of retention and suitable for the intended purpose by Buyer. For services, Seller warrants that the quality and the intended results of the services shall conform to the specifications and other requirements as agreed between the Parties. Seller shall perform the services in accordance with the requirements and specifications of the agreement, observing due skill and care, using proper and well-maintained materials, and employing sufficiently qualified staff. These warranties shall survive any delivery, check, acceptance, and payment by Buyer.
- 14.2 Seller shall promptly repair or replace all goods during a period of two years after the date of delivery or the date of first operational use, whichever date is later.
- 14.3 Buyer shall notify Seller of any defects in the delivered goods or the provided services as soon as they are discovered in the regular course of business.
- 14.4 If Buyer identifies a deficiency in Seller's delivery at any time until the warranty expires, Seller must at his expense and at Buyer's reasonable discretion either remediate the deficiency or reperform delivery within a reasonable period set by Buyer. For the avoidance of doubt, Buyer may claim further remedies under statutory law.
- 14.5 If Seller does not meet a reasonable remediation deadline set by Buyer or if such deadline is not necessary or not feasible because of an urgent need for the delivery, Buyer shall be entitled to procure the delayed goods from an alternative source at Seller's expense.
- 14.6 If Seller is notified of a defect, the warranty period shall be extended by the time between such notification and the defect remediation. If Seller replaces the faulty goods, the warranty

period shall begin anew; if the goods are partially replaced, this only applies for the replaced portions.

### 15 Quality Assurance

- 15.1 Seller shall maintain a state-of-the-art quality assurance system. Buyer and third parties nominated by Buyer shall be entitled to audit Seller's quality assurance system during normal business hours by serving two weeks advance written notice, and subject to a confidentiality agreement.

### 16 Confidentiality

- 16.1 Seller shall treat as confidential any Buyer-supplied documents, data, terms of reference, business processes or other information. Seller shall make confidential information available only to those employees who need the information for the fulfillment of their duties and shall ensure that such employees are also subject to a duty to treat such information as confidential. Seller shall use this information exclusively for the purpose of performing the deliveries and services. For the avoidance of doubt, this shall not preclude Seller from subcontracting.
- 16.2 Seller must obtain Buyer's written consent before publishing the business relationship in any marketing material.

### 17 Intellectual Property Indemnification

- 17.1 Seller shall indemnify and hold harmless Buyer from any claims and costs raised by a third party against Buyer that relates to an (alleged) infringement of intellectual property rights if Buyer uses Seller's goods and services in conformance with Seller's specifications.
- 17.2 Any license fees that Buyer requires for the proper contractual use of Seller's products and services shall be borne by Seller.

### 18 Compliance with Laws, Code of Conduct

- 18.1 Seller shall comply with all applicable laws and regulations.
- 18.2 Seller shall also comply with Buyer's Supplier Code of Conduct as published at [www.envalior.com/CoC](http://www.envalior.com/CoC).
- 18.3 Should Seller breach his obligations under the CoC and should Seller be unable to remediate a reported breach within a reasonable time, Buyer shall be entitled to terminate the applicable agreement for cause.
- 18.4 The delivered goods must conform to the conditions of origin specified in the preferential agreements of the EEC, unless the order confirmation expressly states otherwise.
- 18.5 Seller shall comply with all relevant chemical control regulations applicable to the delivered goods and shall provide to Buyer all applicable substance (pre-)registration numbers.

### 19 Applicable Law

- 19.1 Customary trade terms shall be interpreted in accordance with Incoterms 2020.
- 19.2 The laws of Taiwan, excluding its conflict of law rules, shall apply.
- 19.3 If the Parties cannot amicably resolve a dispute concerning this Agreement within a period of 30 days, either Party may initiate arbitration proceedings with the Chinese Arbitration Association, Taipei for arbitration in Kaohsiung in accordance with the ROC Arbitration Law and the Association's Arbitration Rules. The arbitration language shall be Chinese.
- 19.4 The UN Convention on Contracts for the International Sale of Goods shall not apply.
- 19.5 These Conditions are provided in English and in Chinese language. In case of any discrepancies or conflicts between the two versions, the English version shall prevail.