

## Conditions of Purchase

Date: May 2022

### 1. Order and Confirmation of Order

- 1.1 The Conditions of Purchase (hereinafter "**Conditions**") govern any order, agreement, contract or document of similar effect (hereafter an "**Order**") which expressly states the application of the terms herein and any purchase order arising from such documents.
- 1.2 A named Yunex company (hereafter "**Yunex**") agrees to purchase goods and/or services detailed in the Order (collectively "**Deliverables**") from the named provider or supplier in the Order (hereinafter "**Supplier**").
- 1.3 Yunex may cancel the Order if Supplier has not confirmed acceptance of the Order in writing within two weeks of receipt.
- 1.4 Any alterations, amendments or additions to the Order shall only become a part of the Order if Yunex accepts such in writing. Yunex is bound by Supplier's standard or boilerplate terms and conditions only to the extent that they are in accordance with the Order and the Conditions herein or if Yunex agrees to such in writing. Neither the acceptance of the Deliverables nor payment constitutes agreement to any terms and conditions of Supplier.

### 2. Rights of Use, Software and Intellectual Property Rights

- 2.1 Supplier hereby grants Yunex the following irrevocable, non-exclusive, transferable, worldwide and perpetual rights:
  - 2.1.1 to use the Deliverables including related documentation, to integrate the Deliverables into other products and/or services and to distribute them worldwide; and
  - 2.1.2 to use patents, copyrights, trademarks, know-how and other intellectual property rights for the purposes of the rights granted in section 2.1.1.
- 2.2 **Software.** For software and its related documentation (collectively "**Software**") forming part or all the Deliverables, Supplier grants rights in section 2.1.1:
  - 2.2.1 to use or allow others to use the Software in connection with the installation, launch, testing and operation of the Software;
  - 2.2.2 to sublicense the right of use under section 2.2.1 to affiliates, other distributors and/or end customers;
  - 2.2.3 to license to affiliates and/or other distributors the right to sublicense the right of use under section 2.2.1 to end customers;
  - 2.2.4 to use the Software for integration into other products and/or services, and to copy the Software, or to allow affiliates or other distributors to use and copy the Software;
  - 2.2.5 to distribute, sell, hire out, lease, make ready for download or make publicly available the Software and to copy the Software to the extent required, always provided that the number of licenses being used at any one time does not exceed the number of licenses purchased;
  - 2.2.6 to sublicense the right of use under section 2.2.5 above to affiliates and/or other distributors.
  - 2.2.7 Yunex, affiliates and other distributors are further authorized to allow end customers to transfer Software licenses.
  - 2.2.8 All sublicenses granted by Yunex must contain appropriate protection for the intellectual property rights of Supplier in the Software. All sublicenses must contain contractual provisions used by Yunex to protect its own intellectual property rights.
- 2.3 **Open Source Software.** Supplier shall inform Yunex, at the latest at the time the Order is confirmed, whether the Deliverables contain "open source software". "**Open source software**" shall mean any software that is provided royalty-free by the respective licensor to any user on the basis of a license or another agreement with the right to modify and/or to distribute such software.

By means of example, Open License Terms include the following licenses: the GNU General Public License (GPL), the GNU Lesser GPL(LGPL), the BSD License, the Apache License or the MIT License. Should the Deliverables contain open source software, Supplier must deliver the following to Yunex at the time the Order is confirmed:

- The source code of the relevant open source software, insofar as applicable open source conditions require the disclosure of this source code;
- A schedule of all open source files used, indicating the relevant license and including a copy of the complete text of such license;
- A written declaration that through the intended use of the open source software, neither the products or services of Supplier nor the products or services of Yunex will be subject to a "Copyleft Effect". In the context of this provision, "**Copyleft Effect**" means that the provisions of the open source license require that certain of Supplier's products or services, and any products or services derived from these, may only be distributed further in accordance with the terms of the open source license e.g. only if the source code is disclosed.

Should Supplier not indicate until after receipt of the Order that the Deliverables contain open source software, then Yunex is entitled to cancel the Order within fourteen days of receipt of this information.

### 3. Term and Penalty for Breach

- 3.1 For the purposes of establishing the timeliness of delivery or rectification, the relevant point in time is the date of receipt at the place of receipt designated by Yunex, and for the Deliverables involving installation, commissioning or rectification services, the relevant point in time shall be the date of acceptance.
  - 3.2 Where any delay in delivery or performance or rectification can be anticipated, Yunex shall be immediately notified in writing.
  - 3.3 If, in the event of delay, Supplier cannot prove that Yunex is responsible for the delay, Yunex, without prejudice to any other right or remedy available under the Order or at law, is entitled to liquidated damages for delay in respect of each commenced working day of delay of 0.3% but not exceeding 10% of the total value of the Order. Supplier agrees that liquidated damages for delay charged herein constitutes a reasonable pre-estimate of damages suffered by Yunex arising out of Supplier's delay. Any delay in the exercise of Yunex' rights under this section shall not constitute a waiver of such claims, but such claims shall be made before the date of final payment.
- ### 4. Dispatch and Place of Performance, Transfer of Risk, Transfer of Title
- 4.1 For the Deliverables involving installation, commissioning or services, the transfer of risk occurs on acceptance and for the Deliverables not involving installation or commissioning, the transfer of risk shall be upon receipt by Yunex at the designated place of receipt.
  - 4.2 Unless otherwise agreed, the costs of delivery and packaging shall be borne by Supplier. For pricing ex works or ex warehouse of Supplier, transport shall in each case be at the lowest possible cost insofar as Yunex has not requested a particular method of delivery. Any supplementary costs arising from non-conformity with the transport requirements shall be borne by Supplier. Where the price is quoted free of costs of delivery and packaging to the recipient as determined by Yunex, Yunex may also determine the method of transportation. Any supplementary costs arising from the need to meet the delivery deadline by way of expedited delivery shall be borne by Supplier.
  - 4.3 Each delivery shall include a packing note or delivery note with details of the contents and the Order number. Notice of dispatch shall be provided immediately with the same information.
  - 4.4 If the transport is performed by a carrier commissioned by Yunex, Supplier will inform the carrier of the necessary data concerning dangerous goods in accordance with legal requirements.
  - 4.5 If Yunex informs Supplier that following initial transport, another transport with a different mode of transport is scheduled, Supplier will also follow relevant legal requirements concerning dangerous goods with regard to such on-going transport.
  - 4.6 Supplier shall be liable for any expenses and/or damages incurred by Yunex due to any breach of the obligations under this section 4, unless Supplier is not responsible for such breach.
  - 4.7 Transfer of title shall be upon delivery or acceptance by Yunex as the case may be.
- ### 5. Inspection upon Receipt
- 5.1 Supplier shall provide all the Deliverables required for proper fulfillment of the Order and which are in terms of content, attributable to the Order, irrespective of whether or not such Deliverables are completely or sufficiently specified in the Order herein.
  - 5.2 Yunex shall within a reasonable period of time upon receipt examine whether a delivery corresponds to the quantity and type of the Deliverables ordered and whether there are any external recognizable transportation damages or other deficiencies. Inspection shall not constitute acceptance of the Deliverables or waiver of Yunex' rights under section 5.
  - 5.3 Should Yunex discover any deficiency in the course of these inspections or at any later stage, Yunex shall inform Supplier of such deficiency.
  - 5.4 Complaints may be raised within one month of delivery of the Deliverables, and insofar as deficiencies are not discovered until commissioning, processing or first use, within one month of detection.
  - 5.5 Yunex shall have no other duties to Supplier other than the duties of inspection and notification above.
  - 5.6 Supplier shall indemnify Yunex and its affiliates for all loss and/or damages, including liquidated damages for delay, in connection with Supplier's non-compliance with section 5.1.
- ### 6. Invoices
- Numerical references of the Order and the quantity of each of the Deliverables shall be detailed in invoices. Insofar as any such details are omitted and/or contain errors, invoices shall not be payable. Copies of invoices shall be marked as duplicates.
- ### 7. Payment
- 7.1 Unless otherwise agreed, payments shall be due and payable no later than ninety days. If payment is made within fourteen days, Yunex is entitled to a 3% discount, if payment is made within thirty days, Yunex

- is entitled to a 2% discount. Payments shall be paid in the name of Supplier by Yunex, Yunex affiliate or Yunex AG as solely determined by Yunex.
- 7.2 The period for payment shall commence as soon as delivery of the Deliverables is completed and accepted together with the receipt of a correctly issued invoice. Insofar as Supplier is required to provide material testing, test records or quality control documents or any other documentation, such shall form part of the requirements for completeness and acceptance of the Deliverables. A discount shall be allowed if Yunex sets off or withholds any payment to a reasonable extent on account of any deficiency. The period for payment shall commence after the complete rectification of any deficiency.
- 7.3 Payment does not constitute an acknowledgement that the corresponding Deliverables were provided in accordance with the Order.
- 7.4 Where stipulated in the Order, SOP Subcontractor Annex ([www.Yunex.com.hk/sop/Technical-Circular-on-Security-of-Payment-Annex-Adaptation-SC-v.1.1-April-2022.html](http://www.Yunex.com.hk/sop/Technical-Circular-on-Security-of-Payment-Annex-Adaptation-SC-v.1.1-April-2022.html)) or SOP Main Contractor Annex ([www.Yunex.com.hk/sop/Technical-Circular-on-Security-of-Payment-Annex-Adaptation-MC-v-1-1-April-2022.html](http://www.Yunex.com.hk/sop/Technical-Circular-on-Security-of-Payment-Annex-Adaptation-MC-v-1-1-April-2022.html)), as linked or attached to the Order, becomes part of the Order.
- 8. Warranty**
- 8.1 Supplier represents and warrants that all Deliverables are suitable for their intended purposes, are of good quality and free from all defects in design, materials, construction and workmanship.
- 8.2 If deficiencies are identified before or during the transfer of risk or during the warranty period provided for in section 8.9 or 8.10, Supplier must at its own expense and at the reasonable discretion of Yunex provide rectification by repair of the deficiency, re-performance of services or replacement of the Deliverables within reasonable time as determined by Yunex. This provision also applies to the Deliverables subject to inspection by sample tests.
- 8.3 Should Supplier fail to comply with section 8.2, Yunex is entitled to:
- cancel the Order in whole or in part without being subject to any liability for damages; or
  - demand a reduction in price; or
  - undertake itself rectification by repair, re-performance or replacement at the expense of Supplier or arrange for such to be done and claim damages in lieu of performance.
- 8.4 Any rectification performed by Yunex under section 8.3 may take place without a further deadline at the expense of Supplier if delivery is effected after the original deadline. The same shall apply if Yunex has a strong interest in immediate rectification to avoid any liability of its own for delay or for reasons of urgency and it is not reasonable for Yunex to request Supplier to rectify the deficiency within a reasonable time period.
- 8.5 The rights set out in section 8.2 and 8.3 shall expire one year from the date of notification of the deficiency but in no instance before the expiry of the warranty periods set out in this section.
- 8.6 Additional or other statutory rights are not affected.
- 8.7 If Supplier provides subsequent performance or repairs, the warranty periods set out in section 8.9 and 8.10 shall restart at the time of completion of such subsequent performance or repairs.
- 8.8 Notwithstanding the transfer of risk, Supplier shall bear the costs and risk related to the rectification set out in section 8.2 and 8.3 (e.g. return costs, costs of transport).
- 8.9 The warranty period for deficiencies of material is three years, insofar as no statutory provisions provide longer periods.
- 8.10 The warranty period for deficiencies in title is five years, insofar as no statutory provisions provide longer periods.
- 8.11 The warranty period begins to run with the transfer of risk as stated in section 4.1. Notwithstanding, if delivery is made to locations where Yunex is operating outside its premises, the warranty period does not run until the acceptance by the end customer, in no case later than one (1) year after the transfer of risk.
- 8.12 Supplier shall indemnify and hold harmless Yunex in respect of any and all claims, damages, costs and expenses in connection with the Deliverables, including but not limited to Supplier's failure to comply with section 9.
- 9. Duty to Verify Title/Duty to Inform**
- It is essential that any products delivered under the Order are free of any third party rights. Supplier is under a duty to verify title and inform Yunex of any possible conflicting industrial and intellectual property rights.
- 10. Provided Material**
- 10.1 Material provided by Yunex remains the property of Yunex and is to be stored, labeled as property of Yunex and administered separately at no cost to Yunex. Their use is limited to the purposes of the Order only. Supplier shall supply replacements in the event of a reduction of value or loss, for which Supplier is responsible. This also applies to the transfer of allocated material.
- 10.2 Should any processing or transformation of the material provided by Yunex occur, Yunex shall immediately become sole owner of the new or transformed material. Should this be impossible for legal reasons, Yunex and Supplier hereby agree that Yunex shall be the sole owner of the new material at all times during the processing or transformation. Supplier shall keep the new material safe for Yunex at no extra cost and in so doing exercise the duty of care of a merchant.
- 11. Tools, Patterns, Samples, Confidentiality etc.**
- 11.1 Any tools, patterns, samples, models, profiles, drawings, standard specification sheets, printing templates and materials provided by Yunex, as well as any materials derived there from, shall not be made available to any third party or used for any purpose other than as contractually agreed except with the prior written consent of Yunex. Such materials shall be protected against unauthorized access or use. Subject to any further rights Yunex may demand that such materials be returned if Supplier breaches these duties.
- 11.2 Supplier shall not disclose to a third party any information obtained from Yunex unless such information:
- 11.2.1 is or becomes publicly available;
  - 11.2.2 is lawfully obtained by Supplier without nondisclosure obligations to Yunex;
  - 11.2.3 was in Supplier's possession without a confidentiality obligation prior to its disclosure;
  - 11.2.4 is approved for release by Yunex' written agreement; or
  - 11.2.5 is required to be disclosed by a governmental authority or court or by mandatory law.
- 11.3 Insofar as Yunex agrees to any subcontracting to a third party, such third party shall agree to section 11 in writing.
- 11.4 The obligations stipulated under sections 11.1 to 11.3 shall continue for a period of five years after termination of this Order.
- 12. Transfer, Assignment and Sub-contracting**
- 12.1 Supplier agrees that Yunex shall have the right to transfer its rights and obligations under the Order to its affiliates. Any assignment by Supplier requires prior written approval of Yunex, failing which, Yunex reserves the right to cancel the Order and claim damages.
- 12.2 Subcontracting of this Order by Supplier to third parties shall not take place without the prior written consent of Yunex, failing which entitles Yunex to cancel the Order in whole or in part and claim damages.
- 13. Inability to Pay/Insolvency of Supplier**
- Should Supplier cease to make payments, or if an interim insolvency administrator is appointed or if insolvency proceedings are applied for or commenced in relation to the assets of Supplier, Yunex may immediately terminate the Order and/or any order issued there under. In the event of termination, Yunex may continue to utilize existing facilities and Deliverables already performed by Supplier in exchange for reasonable payment.
- 14. Yunex Group Code of Conduct for Suppliers and Third Party Intermediaries, Security in the Supply Chain**
- 14.1 Supplier is obliged to comply with the laws of the applicable legal system(s). In particular, Supplier shall not engage, actively or passively, nor directly or indirectly in any form of bribery, in any violation of basic human rights of employees or any child labor. Moreover, Supplier shall take responsibility for the health and safety of its employees and act in accordance with applicable environmental laws. Supplier shall comply with Yunex Group Code of Conduct for Suppliers and Third Party Intermediaries ([www.Yunex.com/procurement/cr/code-of-conduct](http://www.Yunex.com/procurement/cr/code-of-conduct)) attached hereto and with best efforts to procure compliance among its suppliers.
- 14.2 Supplier shall provide the necessary organizational instructions and take measures, particularly with regard to the following security: premises security, packaging and transport, business partner, personnel and information in order to guarantee the security in the supply chain according to the requirements of respective internationally recognized initiatives based on the W CO SAFE Framework of Standards (e. g. AEO, C-TPAT). Supplier shall protect the goods and services provided to Yunex or provided to third parties designated by Yunex against unauthorized access and manipulation. Supplier shall only deploy reliable personnel for those goods and services and shall obligate any sub-suppliers to take equivalent security measures.
- 14.3 In addition to other rights and remedies Yunex may have, Yunex may terminate the Order and/or any order issued thereunder in case of breach of the obligations under section 14 by Supplier. However, provided that Supplier's breach of Order is capable of remedy, Yunex' right to terminate is subject to the proviso that such breach has not been remedied by Supplier within a reasonable period set by Yunex.
- 15. Environmental Protection, Duties to Declare, Dangerous Goods**
- 15.1 Should Supplier deliver products or substances of which are set out in the so-called "Yunex List of Declarable Substances" applicable at the time of the Order or which are subject to statutorily imposed substance restrictions and/or information requirements (e. g. REACH, RoHS), Supplier shall declare such substances in the web database BOMcheck ([www.BOMcheck.net](http://www.BOMcheck.net)) no later than the date of first delivery of such products or substances. With respect to statutorily imposed substance restrictions, the foregoing shall only apply to laws that are applicable at

- the registered seat of Supplier or Yunex or at the designated place of delivery requested by Yunex.
- 15.2 Should the Deliverables contain goods that, according to international regulations, are classified as dangerous goods, Supplier shall inform Yunex hereof in a form agreed upon between Supplier and Yunex, but in no case later than the date of Order confirmation.
- 16. Health and Safety**
- 16.1 Supplier shall comply with all statutory provisions on health and safety and shall use its best efforts (a) to eliminate hazards for the health and safety of the personnel employed by Supplier and Supplier's direct or indirect subcontractors (hereinafter collectively "**Personnel**") for the provision of the Deliverables and (b) to ensure that no persons who are legally on the work site for the provision of the Deliverables (hereinafter "**Site**"), including Personnel, Yunex's personnel and visitors, suffer any injury.
- 16.2 Before the commencement of the provision of the Deliverables, Supplier shall provide Yunex with a written risk assessment that (a) analyzes all potential hazards for the health and safety of the Personnel arising out of the provision of the Deliverables and (b) determines measures to eliminate such hazards.
- 16.3 Supplier shall ensure that all Personnel take part in site-specific safety training and receive the appropriate personal protection equipment before starting work on the Site. Supplier shall ensure that Personnel make use of the personal protection equipment in the appropriate manner and that such equipment is maintained in good working order at all times.
- 16.4 Yunex reserves the right, at its sole discretion, to bar any Personnel from the Site and/or to suspend the provision of the Deliverables for security, health and safety reasons at any time without any liability whatsoever.
- 16.5 Supplier shall appoint a competent person as its representative for environmental, health and safety (hereinafter "**Supplier EHS Representative**") and shall ensure that Supplier EHS Representative takes part in safety discussions arranged by Yunex from time to time.
- 16.6 Supplier shall regularly monitor compliance with statutory and contractual health and safety provisions by performing safety tours on the Site. In due time before a safety tour, Supplier shall invite Yunex to participate in the tour. If Supplier discovers non-compliance with health and safety provisions, it shall restore compliance without undue delay and advise Yunex of findings and the status of corrective actions.
- 16.7 Upon Yunex' request, Supplier shall promptly grant Yunex access to all documents related to health and safety connected with the provision of the Deliverables.
- 16.8 In case of an incident leading to (a) the death of any Personnel, (b) a severe injury involving more than one day of incapacity of any Personnel or (c) more than three workers being brought to hospital, Supplier shall immediately inform Yunex and shall, without undue delay, (1) execute a root cause analysis of the incident, (2) determine appropriate measures to exclude similar incidents in the future, (3) define time periods for the measures to be implemented and (4) provide Yunex with a written report containing sufficient detail on the root cause, the measures determined and the time periods defined. Supplier shall support any additional investigation conducted by Yunex.
- 16.9 In the event Yunex produces a safety and health document for the Site (hereinafter "**EHS Plan**"), Yunex will provide Supplier with a copy of the EHS Plan. Supplier shall confirm receipt thereof in writing and comply with the regulations contained therein. The same shall apply to updates of the EHS Plan which Yunex may produce as it deems necessary. Supplier shall ensure that its direct and indirect subcontractors contracted to perform the provision of the Deliverables commit themselves to the EHS Plan and its updates.
- 16.10 In addition to any other rights Yunex may have, in the event of Supplier's material or repeated failure to comply with statutory or contractual health and safety provisions, including section 16 of this Order and the EHS Plan, Yunex may terminate this Order without any liability whatsoever after providing Supplier with a reasonable time period within which to remedy the failure.
- 16.11 Clause 16 shall apply only in respect of and to the extent that the Deliverables are subject to statutory provisions on health and safety.
- 17. Cybersecurity**
- 17.1 Supplier shall take appropriate organizational and technical measures to ensure the confidentiality, authenticity, integrity and availability of Supplier Operations as well as Deliverables. These measures shall be consistent with good industry practice and shall, in all events, include an appropriate cybersecurity management system consistent with standards such as ISO/IEC 27001 or IEC 62443 (to the extent applicable).
- 17.2 "**Supplier Operations**" means all assets, processes and systems (including information systems), data (including Yunex data), personnel, sites, and suppliers, used or processed by Supplier from time to time in the performance of the Order.
- 17.3 Should Deliverables contain software, firmware, or chipsets, Supplier shall
- 17.3.1 implement appropriate standards, processes and methods to prevent, identify, evaluate and fix any vulnerabilities, malicious code, and security incidents in Deliverables which shall be consistent with good industry practice and standards such as ISO/IEC 27001 or IEC 62443 (to the extent applicable);
- 17.3.2 continue to support and provide Deliverables to repair, update, upgrade and maintain Deliverables including the provision of patches to Yunex remedying vulnerabilities for the period of a reasonable life time;
- 17.3.3 provide to Yunex a bill of materials identifying all third-party software components contained in the Deliverables. Supplier shall only use third-party software that is under regular support and maintenance. Third-party software shall be up-to-date at the time of delivery to Yunex.
- 17.3.4 Yunex shall have the right, but shall not be obliged, to test or have tested Deliverables with regard to malicious code and vulnerabilities at any time which Supplier shall adequately support.
- 17.3.5 Supplier shall provide Yunex a contact for all security related issues (available 24/7).
- 17.4 Supplier shall promptly report to Yunex all security incidents occurred or suspected and vulnerabilities discovered in any Supplier Operations and Deliverables, if and to the extent Yunex is or is likely to be materially affected.
- 17.5 Supplier shall ensure that its subcontractors are bound by similar cybersecurity obligations.
- 17.6 Upon the request of Yunex, Supplier shall provide written evidence of its compliance with this section 17 including generally accepted audit reports (e.g. SSAE-16 SOC 2 Type II). Without limiting the foregoing, Yunex has the right to audit and have audited the compliance with the security requirements on-site once a year or at any time based on reasonable grounds upon appropriate prior notice.
- 18. Foreign Trade Regulations**
- 18.1 Supplier shall comply with all applicable export and import restrictions, customs and foreign trade regulations (hereinafter "**Foreign Trade Regulations**") in relation to all Deliverables provided as services and/or delivered as products according to this Order. Supplier shall obtain all necessary export licenses pursuant to the applicable Foreign Trade Regulations.
- In particular, Supplier represents and warrants that none of the Deliverables provided under this Order contain prohibited products and/or services under the Foreign Trade Regulations applicable to Yunex (including, but not limited to, Council Regulations (EU) 833/2014, 692/2014, 2022/263 or 765/2006 as well as the U.S. Export Administration Regulations (15 C.F.R. Parts 730-774), and import regulations enforced by U.S. Customs and Border Protection).
- 18.2 Supplier shall advise Yunex in writing as early as possible any information and data required by Yunex to comply with all Foreign Trade Regulations for the Deliverables applicable in the countries of export and import as well as re-export in case of resale. In any case, Supplier shall provide to Yunex for all of the Deliverables:
- a. the "Export Control Classification Number" according to the U.S. Commerce Control List (ECCN) if the Deliverables are subject to the U.S. Export Administration Regulations; and
- b. all applicable export list numbers; and
- c. the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; and
- d. the country of origin (non-preferential origin), and, upon request of Yunex, documents to prove the non-preferential origin; and
- e. the preferential country of origin, and, upon request of Yunex, documents pursuant to the requirements of the applicable preferential law to prove the preferential origin (e.g. supplier's declaration).
- (hereinafter "**Export Control and Foreign Trade Data**").
- 18.3 In case of any alterations to origin and/or characteristics of the Deliverables and/or to the applicable Foreign Trade Regulations, Supplier shall update the Export Control and Foreign Trade Data as early as possible. Supplier shall be liable for any expenses and/or damage incurred by Yunex due to any breach of the obligations according to this Article 18.
- 18.4 Supplier shall ensure to render the Deliverables to be provided as services only with personnel or to provide only personnel to Yunex who are not listed on the relevant national, German, European or US-Sanctions lists as in particular but not limited to the European Union Consolidated Financial Sanctions List (CFSL), the U.S. lists issued by the Department of Commerce (Bureau of Industry and Security B.I.S.), the U.S. lists issued by the Department of Treasury (Office of Foreign Assets Controls OFAC).
- 18.5 Cloud Based IT Services
- 18.5.1 Supplier acknowledges that Yunex may store technology, know-how, software in object and/or source code, and other technical data, ("**Technology**"), on Supplier's servers and networks, and such Technology is subject to restrictions under EU, U.S. and local export-control regulations. Supplier shall

procure that its employees, including its system administrators, refrain from reviewing, handling, or accessing any Technology without Yunex' prior written consent.

18.5.2 Supplier shall secure Yunex' Technology stored on Supplier's servers and networks against unauthorized or unlawful access. In any event, Supplier shall not grant access to or disclose Yunex' Technology in or to users from comprehensively sanctioned countries (as currently Cuba, Iran, Syria, North Korea, Crimea region of Ukraine). If Supplier becomes aware of any unauthorized or unlawful access to or disclosure of Yunex' Technology, Supplier shall promptly notify Yunex of the incident and provide all pertinent details, including, but not limited to, log files and other appropriate analysis data.

18.5.3 Supplier shall disclose to Yunex the server and network locations intended to be used for Deliverables provided as services. Supplier represents and warrants that Yunex' Technology will solely be stored and accessible by users on servers and networks in such locations as disclosed by Supplier. Supplier shall not move or transfer Yunex' Technology from the server and network locations set out above to any other destination without Yunex' prior approval.

## 18.6 Audit Rights (Authorities or Yunex)

18.6.1 Yunex or its representatives (e.g. third party auditor) may, at any time upon prior written notice of at least (5) working days audit or otherwise request appropriate information related to Supplier's compliance with its export control-related obligations under this Order. This audit may only be conducted, during regular business hours, in accordance with the applicable data protection law and shall neither unreasonably interfere with Supplier's business activities nor violate any of Supplier's confidentiality agreements with third parties. Supplier shall reasonably cooperate in any audit conducted and shall reasonably make available personnel who are responsible and qualified to support Yunex for those audits. Such audits shall be permitted not more than once per calendar year.

18.6.2 Upon reasonable notice by Yunex, Supplier shall promptly and without any cost or charge, provide Yunex with all relevant information and documentation, including access to Supplier's tracking systems, and shall comprehensively support all requests made by Yunex, in particular by providing its own statements as well as third-party certificates, and make its personnel available for interviews by Yunex or Yunex' external auditor.

If such audit reveals that Supplier has breached its export control-related obligations under this Order, Supplier shall bear Yunex' costs caused by the audit. In every other case, each party will bear its own costs for complying with its own obligations.

Supplier shall indemnify Yunex from and hold Yunex harmless against any claim, proceeding, action, fine, loss, cost and damages arising out of or relating to Supplier's failure to comply with export-control regulations.

## 19. Reservation Clause

19.1 Yunex shall not be obligated to fulfill the Order if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

## 20. Data Protection

20.1. In connection with this Order, each party provides personal data to the other in accordance with any applicable data protection laws and regulations.

20.2 Supplier agrees that Yunex may process and transfer Supplier's personal data to Yunex' group of companies and relevant parties (who may be located in other territories) for the purposes of:

20.2.1 providing the Deliverables to a contractor, distributor or end customer;

20.2.2 maintaining Yunex' operations or customer relationship management systems;

20.2.3 quality and risk management reviews;

20.2.4 providing the contractor, distributor or end customer with information about Yunex;

20.2.5 meeting the requirements of any law binding on Yunex; or

20.2.6 carrying out audit and verification.

## 21. Rights of Third Parties

No party shall have rights under the Contract (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any provision of this Order.

## 22. Governing Law

This Order shall be governed and construed in accordance with the laws of Hong Kong.

## 23. Arbitration

Any dispute, controversy, difference or claim arising out of or relating to this Order, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally

resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The seat of arbitration shall be Hong Kong. The arbitration proceedings shall be conducted in English. The number of arbitrators shall be one (1) except that for matters in dispute with a value of HKD 100 million or more (inclusive of counterclaims), three (3) arbitrators shall be appointed.