

HOWMET (HONG KONG) LIMITED (“Seller”)
TERMS AND CONDITIONS OF SALE – WHEELS AND WHEEL PRODUCTS
(Rev. February 2020)

THE FOLLOWING TERMS AND CONDITIONS APPLY TO THE SALE OF SELLER’S GOODS. SELLER’S ACCEPTANCE OF ANY ORDER IS EXPRESSLY MADE CONDITIONAL UPON BUYER’S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN, AND SELLER OBJECTS TO ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS, WHETHER CONTAINED IN BUYER’S FORMS OR OTHERWISE. SELLER WILL NOT BE DEEMED TO HAVE WAIVED THESE TERMS AND CONDITIONS OF SALE IF IT FAILS TO OBJECT TO PROVISIONS CONTAINED IN BUYER’S FORMS OR OTHERWISE.

1. **Acceptance.** Any order by Buyer is subject to acceptance by Seller. Acceptance is subject to Buyer’s agreement to all of the terms and conditions herein. Buyer’s agreement will be conclusively established (i) when Buyer has received and retained these Terms and Conditions of Sale for ten days without objection, or (ii) by Buyer’s acceptance of all or any part of the goods. Seller objects to any terms or conditions which differ from, or are additional to, those stated herein. After acceptance by Seller, an order may only be modified by a writing signed by Seller.
2. **Change of Price.** The prices and charges stated in Seller’s sales order acknowledgement shall be adjusted to and the goods and other items covered by an order shall be invoiced at the prices and charges fixed by Seller at the time of and for each shipment under the order, provided that such prices and charges shall not exceed the prices and charges appearing in Seller’s applicable price schedules, if any, in effect at the time of each such shipment. The prices and charges stated in Seller’s sales order acknowledgement do not include state or federal excise, sales or use taxes. All such taxes in effect or hereafter levied which are applicable to the order are in addition to such prices and will be paid by Buyer.
3. **Payment.** Unless stated otherwise by Seller, payment terms are net 30 days from the date of Seller’s invoice, by electronic funds transfer. In the event that Buyer fails to pay Seller’s invoices when due, Buyer will be obligated to pay Seller interest, on all amounts so due and payable, at 1% per month from the date such payment was due until the date paid by Buyer. Such interest will be due and payable without demand or protest by Seller. Whenever reasonable grounds for insecurity arise with respect to due payment by Buyer, Seller may demand different terms of payment and may demand assurance of Buyer’s due payment. Any such demand may be oral or written and Seller may, upon the making of such demand, stop production and suspend shipment hereunder. If, within the period stated in such demand, Buyer fails or refuses to agree to such different terms of payment or fails or refuses to give adequate assurance of due payment, Seller may, at its opt treat such failure or refusal as a repudiation of the portion of the order which has not been fully performed, or may resume production and may make shipment under reservation of possession or of a security interest and may demand payment against tender of documents of title. Seller retains all rights at law pertaining to the collection of unpaid amounts owed by Buyer under this Agreement, and Buyer will reimburse Seller for all costs associated with such collection activities, including reasonable attorney fees.
4. **Delivery.** Unless otherwise specifically agreed in writing by Seller, all sales will be transacted under FCA Seller’s plant (Incoterms 2010). Title and risk of loss with respect to goods shall transfer from Seller to Buyer when the goods are tendered to the carrier at the named place of delivery in the named Incoterm (Incoterms 2010).
5. **Delays.** All delivery or shipping dates are estimates only. Seller will use reasonable efforts to fill the order in accordance with the estimated delivery or shipping date, but Seller will not be responsible for any delays in filling the order nor liable for any losses or damages resulting from such delays, and the order will not be subject to cancellation for such delays.
6. **Force Majeure.** Seller will not be liable for delays in filling an order or failure in the performance of any of its obligations hereunder caused by acts of terrorism or war; accidents; labor disputes, disruptions, strikes or shortages of labor; shortages of materials, fuel or power; fires, floods or other acts of God; acts or omissions of Buyer, delays in transportation or lack of transportation facilities; priorities required, requested or granted for the benefit of the government; restrictions imposed by law or any rules or regulations thereunder; or any cause, whether similar to or dissimilar from those enumerated, beyond Seller’s reasonable control.
7. **Method of Transportation.** The agency and method of transportation of the goods and the routing of the goods to the delivery point will be designated by Seller. If Seller complies with Buyer’s request with respect to the use of any agency or method of transportation or any routing other than that which would otherwise be designated by Seller, all packing, marking, shipping, transportation and other charges which are in excess of the charges which would otherwise be incurred by Seller will be for Buyer’s account.
8. **Shipments; Shipping Weights.**
 - (a) Seller may make partial shipments hereunder and may invoice for each such partial shipment separately. Each partial shipment will be deemed to be a separate sale; however, delay in delivery of any partial shipment will not relieve Buyer of its obligation to accept delivery of remaining shipments hereunder.
 - (b) Seller’s shipping weights will govern for each shipment or partial shipment hereunder. Should Buyer dispute the shipping weight of any shipment or partial shipment hereunder, Buyer will promptly notify Seller in writing of the reasons for such dispute and provide to Seller all necessary documents to substantiate the difference.

9. **Limited Warranty; Service Manual** (vEuDe18). This limited warranty applies to Alcoa® Wheels,¹ including forged aluminum wheels for medium duty and heavy duty trucks, truck trailers, bus, RV or motorhome wheels (“Wheels”) and the Seller surface or rim flange treatments applied to the Wheels. The warranties set forth in this document apply to all Alcoa Wheels manufactured by Seller and sold by Seller or its authorized distributor to an original purchaser of the Wheel or the end user of the Wheel.

Seller warrants that the Wheel is free from defects in material and workmanship for 60 months from the date of manufacture as shown on the Wheel, provided that Seller does not warrant against and does not provide remedies for immaterial cosmetic defects such as minor discoloration, buffing marks, or nicks. Seller agrees, without charge, to repair or replace a Wheel that fails in normal use (see the qualifications below) because of defects in material and workmanship.

Seller warrants the Alcoa Dura-Flange® rim flange treatment against wear which creates a sharp edge that would require maintenance for 24 months from the date of manufacture as shown on the Wheel.

Seller warrants the Alcoa Dura-Bright® surface treatments against:

- (i) filiform corrosion (worm or hair like lines, underneath surface protective treatment and emanating from damage to the surface treatment); and
- (ii) blistering or peeling due to loss of adhesion of the surface treatment.

The foregoing Alcoa Dura-Bright surface treatment is warranted for 60 months from the date of manufacture as shown on the Wheel.

If the Alcoa Dura-Flange rim flange treatment or Alcoa Dura-Bright® surface treatment fail in normal use or service (see the qualifications section below) to meet the foregoing warranties on a Wheel, Seller agrees, without charge, to replace the Wheel with a like or similar Wheel. Wheel replacement does not include replacement of items manufactured by third parties, such as tire pressure monitoring systems and valve filters.

Repair or replacement, as provided for in this limited warranty, are subject to adherence to Seller’s return material authorization process.

Qualifications:

Seller is not liable for, does not warrant, and will not repair or replace or make adjustment with respect to any Wheel or surface or rim flange treatment on such Wheel that has been subjected to misuse, abuse or improper modification, including the following:

- (a) Using a tyre which is oversized according to standards recommended by the Tyre and Rim Association, Inc. or other recognized tyre and rim agencies such as ETRTO (Europe);
- (b) Failure to install, use and maintain Wheels in strict conformity with all applicable laws, regulations, codes and industry standards;
- (c) Loading the Wheel beyond the applicable maximum Wheel load as specified by Seller;
- (d) Inflating tyres beyond the applicable maximum pressure as specified by Seller;
- (e) Except as permitted by the Service Manual for Alcoa Wheels (“Service Manual”), changing the original condition of the Wheel by alteration or by subjecting it to any processing or changes, such as welding, straightening, painting, coating, installing a new tire valve, or heat treating;
- (f) Accidents or abnormal or severe operating conditions including and without limitation tyre fires, brake fires, severe brake system drags or seizures or running with a flat tyre;
- (g) Failure to follow maintenance, instructions or warnings set forth in the Service Manual, Technical Bulletins or other literature for Wheels. Recommended maintenance includes, without limitation, using proper torque, periodic cleaning, polishing, replacing the valve, inspecting rim flange wear and following rim flange maintenance procedures, and periodically inspecting tyres and system components connected to the Wheel for damage and loose lug nuts;
- (h) Nicks, scratches and other surface blemishes resulting from neglect, road salt, harsh conditions, improper maintenance, cleaning, road debris, curbing, accident or operation;
- (i) Rim flange wear (unless the rim flange has been treated with Dura-Flange®);
- (j) Using a spacer or adaptor of any kind;
- (k) Damaging the surface during tyre mounting and installation due to the use of improper tools or balancing with wheel weights;
- (l) Damage due to cleaning with strong chemicals (acids or alkaline) or abrasives, such as abrasive brushes, steel wool, or scouring pads; or
- (m) further use of a Wheel after discovery of a defect.

THERE IS NO WARRANTY THAT THE WHEEL SHALL BE MERCHANTABLE OR OF SATISFACTORY QUALITY OR FIT FOR ANY PARTICULAR PURPOSE, NOR IS THERE ANY OTHER EXPRESS WARRANTY, EXCEPT SUCH AS IS EXPRESSLY SET FORTH HEREIN. ANY TERMS OR WARRANTIES IMPLIED BY APPLICABLE LAW ARE, TO THE FULLEST EXTENT PERMITTED BY LAW, EXCLUDED IN RELATION TO THE SALE OF WHEELS. SAVE FOR ANY LIABILITY WHICH CANNOT BE EXCLUDED OR LIMITED BY APPLICABLE LAW, SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES FOR ANY BREACH OF WARRANTY. SELLER’S LIABILITY AND THE EXCLUSIVE REMEDY AVAILABLE TO ANY PARTY RIGHTFULLY SEEKING WARRANTY COVERAGE IS LIMITED TO REPAIR OR REPLACEMENT OF THE WHEEL AS STATED IN THIS LIMITED WARRANTY.

¹ The Alcoa trademarks are owned by Alcoa USA Corporation and used by Arconic Inc. and its subsidiaries under license from Alcoa USA Corporation.

THIS LIMITED WARRANTY DOES NOT APPLY TO AND SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO GOODS MANUFACTURED BY THIRD PARTY SUPPLIERS, SUCH AS TIRE PRESSURE MONITORING SYSTEMS AND VALVE FILTERS. ANY WARRANTIES WITH RESPECT TO SUCH GOODS ARE LIMITED TO THOSE WHICH ARE OFFERED BY SUCH SUPPLIERS AND ARE TRANSFERABLE.

This limited warranty should be used in conjunction with the Service Manual and the Dura-Bright® Wheels Cleaning Guide. The Service Manual contains important safety information and warnings. Failure to read and understand that information may result in serious injury or death.

Copies of the Service Manual and cleaning guide are available free of charge at https://www.arconic.com/alcoawheels/asia/en/pdf/Service_manual_for_Alcoa_Wheels_UK.pdf or by contacting Howmet (Hong Kong) Ltd at HowmetHKWheels@Howmet.com.

10. Limitation of Liability.

(a) Seller's liability and Buyer's exclusive remedy for any tender of nonconforming or defective goods or breach of warranty is expressly limited to Seller's choice of: (i) the repair of non-conforming or defective goods; (ii) the replacement of non-conforming or defective goods with conforming goods at the FCA point of shipment; or (iii) the repayment of that portion of the purchase price represented by non-conforming or defective goods. Such repair, replacement or repayment will be made only upon return of the non-conforming or defective goods, which may be returned at the cost of Seller only after inspection by Seller and receipt by Buyer of definite shipping instructions from Seller.

(b) In no event will Seller be liable for any incidental, consequential, indirect, special, contingent, or punitive damages arising out of or relating to: (i) any breach of contract or warranty, tort (including negligence and strict liability), or other theories of law with respect to goods sold or services rendered by Seller, or undertakings, acts or omissions relating thereto; (ii) the tender of defective or non-conforming goods; (iii) breach of any other provision of these Terms and Conditions of Sale or any applicable agreement between the parties; or (iv) any claim of any kind arising out of or relating to any order or Seller's performance in connection therewith. In any event, Seller's liability arising out of these Terms and Conditions of Sale and any applicable agreement between the parties is limited to the purchase price of the goods on which such liability is based. Buyer assumes all other liability for any loss, damage or injury to persons or property arising out of, connected with or resulting from the use of Seller's goods, either alone or in combination with other products.

11. Inspections, Acceptance or Rejection. Buyer will make adequate inspection of the goods immediately after their receipt and will give Seller prompt notice of any non-conformity or defect; Buyer's failure in either respect will constitute a waiver of such non-conformity or defect.

12. Indemnity. Buyer will release, hold harmless, indemnify and defend Seller, its present and future officers, directors, officials, employees, agents, subsidiaries, affiliates, successors and assigns, from and against any liability (including without limitation liability for negligence or strict liability), demands, suits, penalties, fines, forfeitures, claims, losses, damages, suits and costs, regardless of the basis of liability or legal principle involved, which any or all of them may suffer, incur, be responsible for or pay as a result of or caused by, arising out of or relating to any act or omission of Buyer or its successors, assigns, agents, customers, representatives or employees. With respect to claims against Seller by Buyer's employees, Buyer agrees to, and herein does, expressly waive its immunity, as a complying employer under workers' compensation or similar laws, for any and all acts of negligence, whether passive or active, but only to the extent that such immunity would bar or affect recovery under or enforcement of this indemnification obligation. This waiver shall apply to any immunity conferred upon an employer by any state's constitution or workers' compensation or similar laws with respect to liability for claims asserted against a third party by an employee of Buyer. The obligations in this section are in addition to Buyer's duty to provide insurance and shall not be altered by any limitation on the amount or type of damages, compensation, or benefits payable by Buyer under any employee benefits act.

13. Insurance. Buyer shall at all times carry sufficient, relevant insurance coverage to cover potential claims at its own expense, including Commercial General Liability Insurance with coverage of no less than US\$ 5,000,000 per occurrence for death, bodily injury, and property damage. Seller retains the right to obtain a reasonable increase, consistent with industry standards, in the above stated insurance limit at any time. Such policy shall be written by an insurer with an A.M. Best rating of A, Class VIII or higher, authorized to issue policies in the United States. At Seller's request, Buyer shall provide Seller with a certificate of insurance evidencing such coverage currently in force, and will provide updated certificates, in a timely fashion, as policies are renewed thereafter. Failure to provide such certificate of insurance shall void the order, at Seller's sole option.

14. Termination; Changes. Either party may terminate an order by giving written notice to the other party if the other party is in material breach of the order and the breaching party fails to cure the breach within thirty (30) days of receipt of a written notice from the non-breaching party specifying the nature of the breach. If Seller has a safety related concern about Buyer's actual or proposed use of goods, Seller may raise the matter with Buyer and the parties agree to discuss and attempt to resolve the issue. If the parties are unable to resolve Seller's safety related concern to Seller's satisfaction, Seller may terminate relevant orders upon 10 days prior written notice to Buyer. Except for breach as noted above, Buyer may not terminate an order without the prior written consent of Seller. If Seller consents to such termination, reasonable termination charges computed by Seller will be assessed in connection with such termination. Any changes requested by Buyer to an order will be subject to the consent of Seller and subject to an equitable price adjustment as determined by Seller.

15. Patents; Infringements. Buyer agrees to indemnify Seller against all court assessed damages and costs resulting from infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, utility

model, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) by goods to the extent that the infringement arises from designs, specifications or instructions furnished or expressly or implicitly required by Buyer. The sale of goods covered by an order will not grant to Buyer any rights or license of any kind under any patent owned or controlled by Seller or its suppliers or under which Seller or its suppliers is licensed, but the foregoing will not limit in any way the right of Buyer to use and sell such goods in the event that such goods as sold hereunder are covered by any such patent.

- 16. Confidentiality.** Unless otherwise agreed to in a writing signed by Seller, Seller will not be bound by any obligations of confidentiality or non-disclosure. No right, title, or interest in and to any development, invention, or work of authorship, conceived or developed by Seller during the course of performance hereunder, is conveyed to the Buyer. Seller does not grant to Buyer, and nothing contained herein will obligate or be construed to obligate the Seller to grant to Buyer, any license under any patents or other intellectual property owned by the Seller. In addition, during the parties' commercial relationship and for a period of two years following Seller's last shipment of goods to Buyer, Buyer agrees to maintain and protect the confidentiality of any and all information provided by Seller to Buyer, whether orally or in writing that relates to Seller's business.
- 17. Equipment.**
 (a) Any equipment (including jigs, dies and tooling) which Seller constructs or acquires for use in the production of goods for Buyer will be and remain Seller's property and in Seller's possession and control, and any charges by Seller therefore will be for the use of such equipment only. When for three (3) consecutive years no orders acceptable to Seller are received from Buyer for goods requiring the use of such equipment, Seller may make such use or disposition thereof as Seller desires without liability or obligation to Buyer. (b) Any materials or equipment owned or furnished by Buyer to Seller will be carefully handled and stored by Seller when in Seller's possession, but Seller will not be liable for damage or loss thereof. When for three (3) consecutive years no orders acceptable to Seller are received from Buyer for goods requiring the use of such equipment, Seller may, by written notice to Buyer at Buyer's last known address, request Buyer to make disposition thereof at Buyer's expense. If Buyer fails to do so, Seller may make such use or disposition thereof without liability or obligation to Buyer.
- 18. Buyer Part, Specification or Drawing Number.** Any such number appearing on the face hereof is for identification only and does not require that the goods be produced in accordance therewith unless Seller agrees in writing otherwise. Should Seller agree otherwise, then goods identified with such number will be produced in accordance with specifications thereof as modified with Buyer's approval.
- 19. Export Licensing.** Seller will be responsible for obtaining the appropriate export license(s) necessary to permit shipment of the ordered item, and Buyer will cooperate with Seller in obtaining such export licenses at Seller's request. Seller will have no liability to Buyer in the event that an export license is not approved or is later withdrawn. Seller may, in its sole discretion, agree to engage in a "routed transaction", in which case Buyer shall provide all documents and take all actions requested by Seller to comply with U.S. export requirements.
- 20. Waiver.** No provision hereof and no breach of any provision will be deemed waived by reason of any previous waiver of such provision or of any breach thereof.
- 21. Assignment.** No order may be assigned by Buyer or transferred through a change of control by Buyer (including by way of stock purchase, sale, merger, or other form of corporate transaction), without the prior written consent of Seller.
- 22. Amendment.** These Terms and Conditions of Sale and any applicable agreement between the parties may be modified only by a writing signed by Seller.
- 23. Severability.** The invalidity, in whole or in part, of any provision will not affect the remainder of such provision or any other provision.
- 24. Integration.** These Terms and Conditions of Sale, including Seller's attachments hereto and made a part hereof, constitute the entire understanding between the parties and supersede any previous oral or written understandings with respect to the subject matter hereof.
- 25. Anti-Corruption Compliance.**
(a) General.
 (i) Buyer acknowledges that it has had the opportunity to review Seller's written Anti-Corruption Policy, which is available at the following web address: <http://www.arconic.com/global/en/investors/anti-corruption-policy.asp>. Buyer represents and certifies that it fully understands the Policy, agrees to take no action with respect to its purchase, use, or disposition of the goods, or any order generally, that might be a violation of the Policy.
 (ii) It is the intent of Seller and Buyer that no payments or transfers of value shall be made in relation to any order or to Buyer's use or disposition of the goods that have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any other benefit.
 (iii) Buyer represents that it, and each of its owners, directors, officers, employees and every other person working on its behalf has not and shall not, in connection with the transactions contemplated by any order or in connection with any other business transactions involving Seller, make any payment or facilitate or transfer or cause to transfer anything of value, directly or indirectly to: (1) any governmental official or employee (including any employee of a government corporation or public international organization); (2) any political party, official or worker of a political party, or candidate for public office; (3) any other person or entity if such payment or transfer would violate any applicable anti-corruption law; or (4) an intermediary for payment to any of the foregoing.

(iv) In the event of a breach of any of the representations, warranties or covenants made by Buyer in the Anti-Corruption Compliance Section of these Terms and Conditions (including the General subsection and Terms Specific to Distributors and Resellers of Goods subsection), Seller may, in its sole discretion and in addition to any other remedies it may have under law or these Terms and Conditions of Sale, cancel or terminate any order without notice and any claims for payment by Buyer with regard to transactions under any order, including claims for services previously performed, shall be automatically terminated and cancelled, and any payments previously paid by Seller shall be refunded to Seller by Buyer. Buyer shall further indemnify and hold Seller harmless against any and all claims, losses or damages arising from or related to such breach and/or termination of any order.

(b) Terms Specific To Distributors and Resellers of Goods.

If Buyer is acting as a distributor or reseller of Seller's goods, with or without the knowledge or agreement of Seller, Buyer hereby represents, warrants and covenants to Seller:

- (i) Buyer and its owners, directors, officers, employees and agents have not and will not pay, offer, promise to pay or authorize the payment directly or indirectly of any monies or anything of value to any government official, representative or employee or to any political party, holder of public office, or candidate for public office in connection with any order or use of Seller's goods. Buyer acknowledges that, for purposes of this clause, a "government official" may include an employee or official of a commercial entity in which a government body has an ownership interest or exerts control over such entity, as well as officials, representatives and employees of public international organizations;
- (ii) None of Buyer's owners, directors, officers, partners, employees, agents or close family members thereof, i.e., spouses, children, parents and siblings, is presently (or has been within the last year) a government official, representative or employee of any political party, holder of public office, or a candidate for public office. Buyer covenants that it will inform Seller promptly in writing, if any such person assumes such a position while at the same time remaining one of Buyer's owners, directors, officers, partners, employees or agents;
- (iii) All information that has been submitted by Buyer to Seller is complete, truthful and accurate. Buyer will not prepare, approve or execute any contract or other document or make any record that Buyer knows or has reason to know is false, inaccurate or incomplete;
- (iv) Buyer is organized for legitimate business purposes and not for any unlawful purpose, and has only lawful sources of funding;
- (v) Buyer does not have any existing or potential relationship creating a conflict of interest that restricts or is otherwise in conflict with its ability to distribute or resell the goods;
- (vi) Buyer is fully qualified to distribute or resell goods purchased hereunder in accordance with the laws, regulations, rules, decrees and other directives applicable to it. Buyer has obtained licenses or completed such registrations as may be necessary or required to perform such activities;
- (vii) Neither Buyer nor any of its owners, directors, officers, partners, employees or agents has been convicted of or pleaded guilty to an offense involving fraud, corruption or moral turpitude, nor has any such person been listed by any government agency as debarred, suspended, proposed for suspension or disbarment or otherwise ineligible for government procurement programs;
- (viii) Buyer will give prompt written notice to Seller in the event that at any time it continues to act as a distributor or reseller of goods, Buyer breaches any of the warranties, representations or covenants contained herein. Buyer further agrees to give prompt written notice to Seller about any potential violation of any of the warranties, representations or covenants contained herein of which it obtains knowledge or becomes aware or has reasonable grounds to believe has occurred. Notices shall be directed to:

Ethics and Compliance
 Howmet Aerospace
 Email: Anticorruption-howmet@howmet.com

- (ix) Buyer will cooperate fully and in good faith with Seller and its representatives in the event of any actual or potential violation by Buyer, or any of its owners, directors, officers, employees or agents, of the Foreign Corrupt Practices Act or any other applicable anti-corruption law, or any warranties, representations or covenants contained herein, including providing access for interviews to its owners, directors, officers, employees and agents;
- (x) Buyer will certify in writing, at the request of Seller, its compliance with all applicable laws. In addition, it will certify (in the form of a Certificate to be provided by Seller), that it has not, and to its knowledge no other person, including but not limited to every director, officer, employee, representative, consultant or agent of Seller, made, offered to make, or agreed to make any loan, gift, donation, or other payment, directly or indirectly, whether in cash or in kind, to or for the benefit of any government official, political party, party official, candidate for political office, or faction of any government subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof to secure or retain business, influence any decision or obtain any benefit for Seller. Buyer will also complete annual training on anti-corruption principles sent by the Seller for so long as Buyer continues to purchase goods from Seller for distribution and/or resale;
- (xi) During the period of performance of any order, and for a period of five (5) years thereafter, Buyer will maintain records that accurately and completely document all services performed; all payments received or made (whether in kind or in cash); and all expenditures incurred by Buyer on behalf of Seller or otherwise in connection with the performance of the order;
- (xii) In order to verify compliance with the terms of these Anti-Corruption Compliance provisions, Buyer agrees that Seller shall have the right, upon reasonable suspicion of a violation of these Anti-Corruption Compliance provisions, to inspect and audit Buyer's books and records to the extent that such books and records relate to the performance of these Anti-Corruption Compliance provisions and any payments received or expenditures incurred hereunder. Buyer agrees to furnish promptly to Seller any additional information it may reasonably request to verify compliance with these Anti-Corruption Compliance provisions.

BUYER AGREES THAT IT WILL INDEMNIFY SELLER FOR ALL DAMAGES SUFFERED BY SELLER AS A RESULT OF ANY BREACH BY BUYER OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND COVENANTS.

(c) If Buyer is acting as a distributor of Seller's goods, with the knowledge and approval of Seller, and Seller has agreed in writing to make payments or reimbursements to Buyer, then Buyer acknowledges and agrees that (notwithstanding any other written agreement with Seller):

- (i) Any and all payment to Buyer relating to or arising out of any order shall be made payable to Buyer in the country in which Buyer does business or resides;
- (ii) All payments to Buyer shall be made by wire transfer or by a Seller check delivered to Buyer in the locations where it does business or resides;
- (iii) Seller has the right to suspend or withhold payment pending an investigation into any suspected violation of these Anti-Corruption Compliance provisions, any applicable anti-corruption law, and/or the Foreign Corrupt Practices Act;
- (iv) Unless agreed to expressly in writing, Buyer shall not be reimbursed for any expenses incurred in its capacity as a distributor or reseller of goods. Buyer acknowledges and agrees that notwithstanding any other written agreement with Seller, to the extent that any payments are agreed upon, Buyer shall be reimbursed for all disbursements and travel and lodging expenses reasonably incurred by it in the performance of its obligations under any order, but only to the extent they are documented and supported by receipts to Seller's satisfaction;
- (v) Under no circumstances shall Seller issue any payment under any order directly to any owner, director, officer, employee, representative, agent or consultant of Buyer; and
- (vi) No request for cash payments or cash equivalents will be accepted by Seller.

26. Compliance with laws.

Goods, services and information supplied under any order are subject to Buyer's compliance with all laws, including but not limited to, the U.S. Foreign Corrupt Practices Act and all other applicable anti-corruption laws and regulations and U.S. import and export laws and regulations and may be subject other applicable countries' anti-corruption and export/import rules and regulations as well.

27. Applicable Law. All orders, these Terms and Conditions of Sale and any applicable agreement between the parties will be governed by, and interpreted in accordance with, the laws of Hong Kong, excluding those relating to choice or conflicts of law and excluding the United Nations Convention on Contracts for the International Sale of Goods.