

## LUCY ELECTRIC THAILAND’S TERMS AND CONDITIONS OF PURCHASE

### Contents

1) DEFINITION OF TERMS .....	2
2) ORDER ACKNOWLEDGEMENT & DELIVERY .....	2
3) QUALITY COMMITMENT & NON CONFORMANCE MANAGEMENT .....	3
4) ACCEPTANCE OF MATERIAL .....	3
5) RETURN OF REJECTED GOODS.....	4
6) SUPPLIER PERFORMANCE REPORTS .....	4
7) WARRANTY .....	4
8) PACKING, FORWARDING AND SHIPMENT .....	5
9) DELIVERY DOCUMENTS .....	5
10) SECRECY AND NON-DISCLOSURE AGREEMENT .....	6
11) EFFECT AND JURISDICTION OF PURCHASE ORDER.....	6
12) TERMINATION OF CONTRACT .....	6
13) CANCELLATION OF PURCHASE ORDER .....	6
14) PATENT RIGHTS AND ROYALTIES .....	7
15) COMPLIANCE WITH LAW .....	7

## 1) DEFINITION OF TERMS

- a) "Purchaser" means Lucy Electric (Thailand) Limited and includes its successors and legal representatives or any of their associate companies.
- b) "Supplier" shall include its subsidiaries and affiliates, joint ventures involving the supplier, any entity with which the Supplier may hereafter merge or affiliate, and any other successor or assignee of the supplier.
- c) "Contract" means the agreement entered into between Purchaser and Supplier as per the "Frame Contract Agreement" signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- d) "Force Majeure Event" shall include, but shall not be limited to acts of God, epidemic or pandemic (whether or not known as at the date hereof, or whether or not declared prior to the date of the Order), strikes, lock outs, accidents, war, civil unrest, terrorism, threat of terrorism, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations, government intervention, interruption or failure of a utility service, fire, breakdown or plant or machinery, a worldwide market shortage of a given component, or shortage or unavailability of raw materials from a natural source of supply.
- e) "Purchase Order" shall mean the formal order released by Purchaser from time to time confirming the quantity & delivery dates of the parts to be delivered to the Purchaser.
- f) "Purchase Order Price" shall mean the price mentioned in the Purchase Order for the parts to be supplied by the supplier as per the Purchase Order.
- g) "Required Date" shall mean the date by which the ordered parts shall reach Purchaser's warehouse. Sometimes this date may mean the date consignment is to be shipped from despatch port – in such cases it will be specifically mentioned in the order.
- h) "Warranty Period" shall mean the period during which the Supplier shall remain liable for free repair or replacement of any defective part of the work performed under the Contract.
- i) "NCR" shall mean Non-conformance Report. This report details the supplies that are found to be defective / non-conforming to specification / purchaser's requirements.

## 2) ORDER ACKNOWLEDGEMENT & DELIVERY

- a) Acceptance of the Purchase Order and agreement to these terms and conditions shall be deemed given by the Supplier to whom it is addressed unless Supplier gives specific written notice to the contrary to the Purchaser prior to any performance of the Order and in no event later than 3 days from the date of receipt of the Purchase Order. The Purchase order is considered as accepted if Purchaser does not receive any communication in contrary from the Supplier.
- b) Lucy will send orders by e-mail with read receipt. Lucy will send outstanding PO statement during the 1st week of every month.
- c) Availability of material within the Required Date is of prime importance. It is the responsibility of the supplier to ensure that ordered parts and material is:
  - i. Made available at Purchaser's factory / destination port (if so, requested specifically) on or before the Required Date.
  - ii. Handed over to the forwarding agent in advance (from the Required Date) considering the shipping time to the destination port.
  - iii. If there are any issues regarding the completion of the order as requested, the supplier must notify the Purchaser within 3 days from the date of release of Purchase Order & also submit a best alternate proposal. In case the Purchaser agrees to this alternate proposal, revised schedules will be reflected in the Purchase Order by suitable amendments.
  - iv. Neither party shall be in breach of this contract nor liable for delay in performing, or failure to perform, any of its obligations under this contract (other than the obligation

to pay money) if such delay or failure results from a Force Majeure Event or from any other events, circumstances or causes beyond its reasonable control. In such circumstances, the affected party shall be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for 120 days or more, the party not affected may terminate this contract by giving 30 days' written notice to the affected party.

### 3) QUALITY COMMITMENT & NON-CONFORMANCE MANAGEMENT

- a) The parts to be supplied under the Purchase Order shall have assured quality and workmanship. Purchaser for each item. **All supplied parts will be accompanied by Suppliers Inspection report / Material Test Certificate / Certificate of Confirmation.**
- b) Any supplied material if found defective or not conforming to the specification / drawing / requirement or not in accordance to the Purchase Order shall be rejected. Supplier shall arrange to immediately replace the material or rectify the defect and ensure the compliance to the requirement / Purchase Order.
- c) Supplier will initiate containment actions immediately on receipt of notification of rejection or non- conformance report – NCR. Supplier will submit the action plan for containment within 24 hours of the notification.
- d) In the event a whole batch of products is rejected, it will be the responsibility of supplier to identify and sort defective products from the rejected batch. Supplier may be asked to either send replacement immediately or arrange for immediate sorting if it is felt that there will be acceptable products in the batch.
- e) Supplier shall initiate recovery plan with expedited production & shipment to make good the rejections for urgent replacement. The recovery plan shall be put in place at Supplier's cost & communicated to Purchaser within 24 hours.
- f) All the cost of making good the rejection will be borne by the supplier. In event the recovery plan suggested by the Supplier is not acceptable to the Purchaser they may at their discretion initiate rectification actions under intimation to supplier. The cost of rectification & associated costs incurred by the Purchaser will be debited to the Supplier
- g) If rectification is not possible, the Purchaser may arrange for replacements from other sources, the charges of which will be debited to the Supplier
- h) Within 2 weeks of the Non-conformance notification, the supplier must perform an exhaustive analysis of the root causes and issue a corrective / preventive action plan that should be validated by Purchaser's Quality & Purchasing department before it is implemented by the supplier.

### 4) ACCEPTANCE OF MATERIAL

- a) Material supplied by Supplier and received at the Purchaser's work is provisionally accepted unconditionally with only superficial checks.
- b) The inspection and final acceptance are during the use and assembly in the Purchaser's products. The Supplier is liable for any and all the defects / problems found in the product supplied by the supplier at any time.
- c) The above clause is applicable irrespective of the fact whether the supplier is paid for these goods or not. Supplier shall be responsible for making good any defect found or replace the complete assembly. However, Purchaser has the right to deduct the value of all rejections from the monies due to the Supplier.
- d) The impact of rejection of the parts / assemblies after receipt in Purchaser's factory will be catastrophic as their production could be seriously affected. There are no significant facilities

for re-work at Purchaser's premises. The consequential damages to Purchaser will be many times the supply price of these parts / assemblies. It is therefore imperative that the Seller ensures that all parts / assemblies are manufactured to acceptable level and checked before shipment.

- e) In case there are multiple rejections of any part/assembly in a short period of time then all the parts/assemblies in stock and in transit are liable for rejection.
- f) In the event of any of the supplied parts being rejected after assembly in the units manufactured by Purchaser leading to rework / disassembly of unit and / or scrapping of all or part of other components used, Purchaser reserves the right to recover from the Supplier all the associated costs incurred due to the rejection.

#### 5) RETURN OF REJECTED GOODS

- a) Suppliers shall take all rejected material back within 15 days of intimation of rejection by Purchaser at their own cost & expense. In the event the supplier wishes to hold the rejected goods for a longer period, it will be discussed and mutually agreed on case to case basis. However, the warranty system applied between the purchaser & the end user of Purchaser may not allow return of all the rejected goods.
- b) Rejected material shall be at the Supplier's risk from the time of rejection and Purchaser shall not be liable for any shortages or any quality deterioration on any account.
- c) Purchaser shall have the right to return to Supplier any rejected goods at Supplier's cost & risk  
OR  
Purchaser at their sole discretion shall have the option to dispose the goods so rejected and not taken back within 30 days from the date of intimation or rejection. The disposal charges if any will be debited to Supplier.

#### 6) SUPPLIER PERFORMANCE REPORTS

- a) Purchaser will regularly update the Supplier with the status of their performance on Quality & delivery as well as cost (initially to selected suppliers only).
- b) Supplier shall endeavour to consistently maintain high levels of performance and must be above the minimum limits specified.
- c) Any supplier falling below the limits will be given chance to improve performance. Supplier should clearly state and follow the action plan for improvement.
- d) In the event the supplier remains below the minimum limit and improvement actions do not result in change Purchaser at their discretion may remove supplier from the approved vendor status.

#### 7) WARRANTY

- a) The Supplier shall warrant that the equipment will be new and in accordance with the specification and free from defects in material and workmanship for a period of (18) months from the date of supply or 12 month from the date of assembly at the Purchaser's works in their unit, whichever is earlier.
- b) Supplier shall be responsible for replacing Free of charge all parts found with any defect, which may appear or occur during the warranty period The Supplier shall make good the defect or damage as soon as possible and at his own cost,  
Or  
Supplier may issue a Credit Note covering the value of goods rejected.  
Or  
Purchaser shall raise a Debit Note covering the value of goods rejected.

- c) The acceptance of the equipment by the Purchaser shall in no way relieve the Supplier of his obligation under this clause.

## 8) PACKING, FORWARDING AND SHIPMENT

- a) The Supplier, wherever applicable shall, after proper painting, pack and crate all equipment for shipment in a manner suitable for shipment to tropical, humid climate region in accordance with the internationally accepted export practices and in such a manner so as to protect it from- damage and deterioration during transit by road, rail, Air or sea and during storage at Purchaser's works. The Supplier shall be held responsible for all damages due to improper packing.
- b) Purchaser may recommend packing specifications and / or preferred packing dimensions from time to time. Supplier shall review and confirm suitability. However, it has to be noted that the responsibility for ensuring transport worthiness of packaging remains with the supplier.
- c) The Supplier shall give complete shipping information concerning the weight, size, content of each package including any other information the Purchaser may require.
- d) The Supplier shall prepare detailed packing list of all packages and containers, bundles and loose material forming each and every consignment dispatched to Purchaser and send along with the consignment.
- e) Immediately after dispatch of goods, supplier shall provide following shipment information to the Purchaser by email or fax:
  - i. For Air consignments: Copy of Invoice, packing list & AWB, flight number & date. If consolidated, also the HAWB & MAWB.
  - ii. For Sea consignments: Copy of Invoice, packing list & Bill of Lading (B/L), Name of the vessel, the boarding date, the forecasted date of arrival.

## 9) DELIVERY DOCUMENTS

### 9.1 Oversea supplier

- a) Original Invoice duly authorized & with company seal (in blue) or electronic approved invoice, constituting following minimum data:
  - i. Supplier Name & Address
  - ii. Recipient name & Address
  - iii. Purchasers' Purchase Order (PO) number
  - iv. Delivery INCOTERMS
  - v. Payment Term
  - vi. Full Purchaser's part number / reference and description of the goods
  - vii. Total delivered quantity
  - viii. Price & invoicing currency
  - ix. Origin of goods
  - x. Customs classification if applicable
  - xi. Dispatch date
- b) Packing List, constituting following minimum data:
  - i. Reference to Sales invoice
  - ii. Total number of parcels & their nature
  - iii. Total gross & net weight
  - iv. Number of parcels, their weight & size
  - v. Detail of what is inside each parcel (item, reference, designation, quantity, PO number etc)

- c) Packing label:
  - i. Package number
  - ii. Reference to the sales invoice
  - iii. Detail of what is inside (item, reference, designation, quantity, PO number etc)
- d) Complete FTA form applicable to ASEAN supplier
- e) Original Bill of Lading (B/L) or Surrender BL/Sea Way Bill

#### 9).2 Local supplier

- a) Documentation for customs declaration in free zone area
  - i. Application form ( ) fill in by typing with company stamp and authorize signature
  - ii. Invoice vat (0), constituting following minimum data:
    - Supplier Name & Address
    - Recipient name & Address
    - Purchasers' Purchase Order (PO) number
    - Payment Term
    - Full Purchaser's part number / reference and description of the goods
    - Total delivered quantity
    - Price & invoicing currency
  - iii. Copy of Purchase Order, Company License in Free Zone (Lucy) and PP20(Supplier)

#### 10) SECRECY AND NON-DISCLOSURE AGREEMENT

- a) The Supplier shall not, without the Purchaser's prior written consent disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Supplier in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far, as may be necessary for purposes of such performance.
- b) The Purchaser shall not, without the Purchaser's prior written consent, make use of any document or information enumerated in various Contract documents except for purpose of performing the Contract.

#### 11) EFFECT AND JURISDICTION OF PURCHASE ORDER

- a) The laws applicable to the Purchase Order shall be the laws in force in Thailand

#### 12) TERMINATION OF CONTRACT

- a) The Purchaser reserves the right to terminate the frame agreement. The Purchaser shall in such an event give ninety (90) days' notice in writing to the Supplier of his decision to do so. The Purchaser shall take delivery and pay for all the pending orders under execution and any other parts that have been stocked (Safety stock etc.) at Purchaser's request.
- b) The Supplier upon receipt of such notice shall discontinue the work on the date and to the extent specified in the notice.
- c) All or any goods or machinery or tool or tackles available at supplier's premises that is Purchaser's property shall be returned without hesitation or demur immediately on receipt of such notice from Purchaser.

#### 13) CANCELLATION OF PURCHASE ORDER

- a) The Purchaser reserves the right to cancel any purchase Order. The Purchaser shall in such an event give notice in writing to the Supplier of his intention to do so. The Supplier

upon receipt of such notice shall discontinue the work on the date and to the extent specified in the notice.

- b) The Purchaser shall take delivery and pay for all the goods delivered (or scrapped at supplier's end) after mutual discussion.

#### 14) PATENT RIGHTS AND ROYALTIES

- a) Royalties and fees for patents covering materials, articles, apparatus, device equipment or processes used in the contract shall be deemed to have been included in the Contract Price. The Supplier shall satisfy all demands that may be made at any time for such royalties or fees and he alone shall be liable for any damages or claims for patent infringements and shall keep the Purchaser indemnified in that regard. The Supplier shall, at his own cost and expense, defend all suits or proceedings that may be instituted for alleged infringement of any patents involved in the product, and in case of an award of damages the Supplier shall pay for such award.
- b) The Supplier shall indemnify the Purchaser against all claims of infringement of any Patent, registered design, copyright, trademark, trade name or other intellectual property rights.

#### 15) COMPLIANCE WITH LAW

- a) In performing its obligations under the Contract, the Supplier (including all staff, agents, contractors, and any other party performing its obligations or exercising its rights under or in connection with this Contract) shall comply with:
  - iv. all applicable laws, statutes, regulations, and codes from time to time in force; and
  - v. the Lucy Electric Supply Chain Code of Conduct and the Lucy Electric Anti-Bribery Policy (both as amended from time to time) found at <http://www.lucyelectric.com/en/terms-conditions/>
- b) Without prejudice to the generality of clause 15(a), the Supplier shall, and shall take reasonable steps to procure (where relevant) that all persons who are performing services or providing goods in connection with the performance of this Contract (collectively, the "Supply Chain") shall, at all relevant times:

comply with all applicable laws, regulations, codes, guidance and sanctions relating to anti-slavery and human trafficking in any jurisdiction, including the United Kingdom's Modern Slavery Act 2015 (MSA) (together the "Relevant Requirements");

- vi. not engage in any activity, practice or conduct in any jurisdiction which would constitute an offence under the MSA;
  - vii. have and maintain in place throughout the term of this Contract a policy with the aim of ensuring compliance with the Relevant Requirements and that slavery and human trafficking is not taking place in its own business or any part of its supply chain ("Anti-Slavery Policy"), and shall ensure that such policy is provided to all relevant staff and enforced in an appropriate manner;
  - viii. promptly notify the Purchaser if it has reason to believe that it or any member of its Supply Chain is in breach of the MSA or any provision of this Clause 15 (or would do so if it were a party to this Contract), or if it receives a communication from any person alleging breach of the MSA in relation to the performance of services or provision of goods in connection with the performance of this Contract.
- c) Breach of this Clause 15 shall be deemed to be a material breach of this Contract and the Purchaser may terminate this Contract with immediate effect.