

AMW GENERAL PURCHASE CONDITIONS

Article 1. APPLICABILITY OF THESE GENERAL CONDITIONS

These conditions apply to any Purchase Order for goods or services (or both) placed by Asia Magnetic Winding.

These General Purchase Conditions shall also be applicable for all future transactions with the Supplier, unless AMW has introduced a new version of the General Purchase Conditions, in which case the new version shall prevail.

The acceptance of any order, request for delivery or service order from AMW and/or the mere fulfillment of such order entail by full right the acceptance of the present general purchasing conditions by the supplier. The supplier hereby declares to waive its general sales conditions, even in the case when said sales conditions should include conflicting provisions with the provisions hereto.

Article 2. PURCHASE ORDER

1. ORDER ACKNOWLEDGEMENT

Supplier shall within five (5) working days after having received the Purchase Order either confirm the Purchase Order, and thus accept these General Purchase Conditions, or reject it. If Supplier has neither confirmed nor rejected the Purchase Order within the said time period, Supplier is deemed to have accepted the Purchase Order, and thereby these General Purchase Conditions.

Any action taken to execute the order from AMW, even if there has been no acknowledgement of the order, shall be deemed to constitute acceptance of the present General Conditions.

AMW reserves the right to cancel the order should the supplier make any alteration to the acknowledgement.

No variation of the Purchase Order will be binding on Asia Magnetic Winding unless in writing and signed by a duly authorized representative of Asia Magnetic Winding.

AMW may at any time by written instructions make changes, within the general scope of the order, in any one or more of the following: (1) quantity; (2) delivery date; (3) method of shipment or packing; and (4) place of delivery

2.CANCELLATION

- (1.) If the Supplier is unable to supply the Goods/Service as specified, it must promptly notify Asia Magnetic Winding. Subject to Asia Magnetic Winding 's approval of the price and quality before delivery, the Supplier may offer another Goods/Service in substitution.
- (2.) Asia Magnetic Winding may (at any time before delivery), cancel or change the Purchase Order. If this occurs, and:

i.the change causes an increase or decrease in the cost of the Goods/Service, or time required to deliver the Goods/Service, an equitable adjustment will be made appropriate to the circumstances;

ii.the Supplier has already incurred expense in satisfying the Purchase Order, AMW will pay the Supplier's reasonable expenses.

In the event of order cancellation, the maximum liability shall be limited to 10% of the purchase order value.

3.CORRESPONDENCE

All correspondence pertaining to order must be addressed as:

Asia Magnetic Winding Co., Ltd

99/9 Moo.9 Bang Chalong, Bangplee, Samutprakarn 10540, Thailand

If Purchase Order is transmitted by fax or by other means of electronic transmission, such transmission shall have the legal significance of a duly executed original delivered to the Supplier.

The purchase order number must appear on all invoices, correspondence, containers, shipping papers, and packing lists.



Article 3. REALISATION OF THE ORDER - DELIVERY TIME - DELAY

The supplier shall be considered as having completely met his obligations of delivery when it has put conform products all the disposal of AMW.

The Supplier must:

- (1.) Provide Goods/Service safely and appropriately to protect it from damage; and
- (2.) Deliver the Goods/Service by the date, to the place and in the quantity as specified in the Purchase Order
- (3.) Each delivery of Goods to AMW shall include invoice and a packing list which contains at least

(i) the applicable order number, (ii) the AMW part number, (iii) the quantity shipped, and (iv) the date of shipment.

If delivery or completion dates cannot be met, Supplier shall inform AMW immediately. Such notice shall not, however, constitute a change to the delivery or completion terms of this Purchase Order unless AMW modifies this Purchase Order in writing.

If any item is not received or if any element of the work is not completed by the date specified, AMW, at AMW's option and without prior notice to Supplier, may either approve a revised date or may cancel this Purchase Order and may obtain such goods or work elsewhere and in either event the Supplier shall be liable to AMW for any resulting loss incurred by the AMW.

TIMING OF DELIVERY AND/OR PERFORMANCE OF THE WORK IS OF THE ESSENCE OF THIS PURCHASE ORDER.

AMW shall, for each commenced week of delay, be entitled to claim penalties amounting to five per cent (5%) of the relevant Purchase Order price. Penalties shall not, however, exceed a total of forty per cent (40%) of the said price. For the avoidance of doubt, strikes and/or other forms of labor dispute shall not excuse Supplier from delivery/performance by the agreed date.



Article 4. PAYMENT TERMS

If Supplier fails to fulfill any of its obligations under this Agreement, AMW may suspend payment to Supplier.

AMW shall at all times have the right to set off and deduct from any amounts owing from AMW to Supplier or any of its affiliates any amount owing from Supplier or any of its affiliates to AMW, irrespective of the nature of any such claim.

Article 5. OWNERSHIP & RISK

(1.) Title in the Goods/Service will pass to Asia Magnetic Winding on delivery on its site.

(2.) The Supplier assumes all risk in the Goods/Service until it is accepted by Asia Magnetic Winding.

Article 6. WARRANTIES

(1.) Supplier represents and warrants to AMW that:

(a) all Goods are suitable for the intended purpose and shall be new, merchantable, of good quality and free from all defects in design, materials, construction and workmanship;

(b) all Goods strictly comply with the specifications, and approved samples

(c) all Goods shall be free from any and all liens and encumbrances; (i) all Goods have been designed, manufactured and delivered, and all Services have been provided in compliance with all applicable laws (including labor laws) & regulations (ii) Goods and Services are provided with and accompanied by all information and instructions necessary for proper and safe use;

(d) where the Goods or Services incorporate or contain chemicals or dangerous hazardous goods or substances, these shall be accompanied by written and detailed specifications of the composition and characteristics of such goods or substances and of all laws, regulations and other requirements



relating to such goods or substances in order to enable AMW to transport, store, process, use and dispose of such Goods properly and in a safe manner; and

(e) all Goods do not violate or infringe any third party domestic or foreign patent, copyright (including portrait rights and moral rights), trade secret, trademark or other intellectual property rights.

(1.) These warranties shall not be deemed to exclude Supplier's standard warranties or other rights or warranties which AMW may have or obtain, shall survive any delivery, inspection, acceptance, payment or resale of the Goods, and shall extend to AMW and its customers. Acceptance of, or payment for, all or any part of the Goods or Services furnished under this Agreement shall not be deemed to be a waiver of AMW' right to cancel or return or reject all or any part thereof because of failure to conform to order or by reason of defects, latent or patent, or other breach of warranties, or to make any claim for damages, including manufacturing costs and loss of profits or other special damages occasioned to AMW.

Article 7. ACCEPTANCE & REJECTION

Inspection of or payment for the Goods by AMW shall not constitute acceptance. Inspection or acceptance of or payment for the Goods by AMW shall not release Supplier from any of its obligations, representations or warranties under this Agreement.

Asia Magnetic Winding may, at any time before acceptance, reject the Goods/Service if Asia Magnetic Winding believes the Goods/Service is defective or does not meet the Purchase Order. Asia Magnetic Winding may unpack, inspect and test the Goods/Service for this purpose.

Asia Magnetic Winding may, at any time after acceptance, reject the Goods/Service if Asia Magnetic Winding believes the Goods/Service is defective or does not meet Purchase Order, provided that the defect could not have been discovered by reasonable inspection before acceptance.

If AMW does not accept any of the Goods or Services, AMW shall promptly notify Supplier of such rejection, and Section "(1) non-Non-conformity of Goods or Services "below shall apply. Within two

(2) weeks from such notification, Supplier shall collect the Goods from AMW at its own expense or shall promptly perform the Services in accordance with AMW's instructions.

If, as a result of sampling inspection, any portion of a lot or shipment of like or similar items is found not to be in conformity with this Agreement, AMW may reject and return the entire shipment or lot without further inspection or, at its option, complete inspection of all items in the shipment or lot, reject and return any or all nonconforming units (or accept them at a reduced price) and charge Supplier the cost of such inspection.

(1.) Non-conformity of Goods or Services

If any Good or Service is defective or otherwise not in conformity with the requirements of this Agreement, AMW shall notify Supplier and may, without prejudice to any other right or remedy available to it under this Agreement or at law, at its sole discretion:

- (a) claim a full refund of the price paid under this Agreement; or
- (b) require Supplier promptly to remedy the non-conformance or to replace the nonconforming Goods with Goods meeting the specifications.

Supplier shall bear all cost of repair, replacement and transportation of the nonconforming Goods, and shall reimburse AMW in respect of all costs and expenses (including, without limitation, Inspection, handling and storage costs) reasonably incurred by AMW in connection therewith.

Risk in relation to the nonconforming Goods shall pass to Supplier upon the date of notification thereof.

Article 8. INSPECTION

- (1.) AMW may, at any time, inspect the Goods or the manufacturing process for the Goods, including the relevant quality assurance system, at the premises of Supplier and its subcontractors. If any inspection or test by AMW is made on the premises of Supplier, Supplier shall provide reasonable facilities and assistance for the safety and convenience of AMW's inspection personnel. The goods so inspected shall on no account be deemed to have thereby been accepted.

(2.) Examination of Records

The Supplier agrees that AMW shall have access to and the right to examine any pertinent books, documents, papers and records of the Supplier involving transactions related to this Purchase Order to the extent necessary to verify the nature and extent of costs incurred under this Purchase Order until the expiration of five (5) years after final payment under this Purchase Order. The preceding sentence shall not apply if this Purchase Order does not involve a sum in excess of One Thousand Dollars (\$1,000)

Article 9. ASSIGNMENT / SUBCONTRACTING

The supplier may not transfer, in full or in part, his obligations resulting from the agreement to third parties without the written consent received from AMW. Conditions may be attached to this consent.

Supplier shall not have the right to involve subcontractors in the execution of a Purchase Order or of any right or obligation pursuant thereto without the prior written approval of AMW. In the event AMW gives such approval to Supplier, Supplier shall remain fully responsible and liable for such subcontractors.

Article 10. GOODS EVOLUTION

Supplier shall not, without prior written consent of AMW, make any changes affecting Goods, including process or design changes, changes to manufacturing processes (including geographic location) changes affecting electrical performance, mechanical form or fit, function, environmental compatibility, chemical characteristics, life, reliability or quality of Goods or changes that could have significant impact upon Supplier's quality system.

Article 11. LIMITATION OF LIABILITIES & INDEMNITY

AMW SHALL NOT BE LIABLE TO SUPPLIER FOR ANY LOST REVENUE, LOST PROFITS OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES BASED ON BREACH OR DEFAULT UNDER THIS ORDER, EVEN IF AMW HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall AMW be liable to Supplier, its successors or assigns for damages in excess of the amount due to Supplier for complete performance under this Agreement, less any amounts already paid to Supplier by AMW.

The Supplier indemnifies AMW against any loss or damage arising out or in connection with an act or omission of the Supplier in supplying the Goods/Service or its obligations or warranties under these conditions

Article 12. NON WAIVER

Asia Magnetic Winding 's failure or delay to enforce a condition, or to exercise a right or remedy for breach, is not a waiver of any other breach.

The fact that AMW should at any time waive its rights resulting from any of these general purchasing conditions shall in no case be construed as a waiver to any of these general conditions at a later date.

The nullity or unenforceability of any provision contained in the Agreement will in no way affect the enforceability of the other provisions.

Article 13. TERMINATION BY ASIA MAGNETIC WINDING

Asia Magnetic Winding may terminate a Purchase Order at any time by notifying the Supplier in writing, if the Supplier:

- (1.) becomes insolvent; or
- (2.) fails to comply with any of these conditions.

Article 14. DISPUTES

These conditions will be governed by the law of Thailand and the parties submit to the jurisdiction in that Country.

