



<b>PURCHASING CONDITION</b>	 <b>SATYS ELECTRIC</b>
	Document no.: WI-PU-002
	Revision: 00
	Issue Date: 01/11/2024
	Page: 1 of 9

Rev.	Reason for Changes	Description	Paragraph concerned	Applicant & Date
00	Original	New creation		J-C TSCHANN 01/11/2024

<b>Prepared by:</b>  <b>J-C. TSCHANN</b> Supply Chain Manager	<b>Reviewed by:</b>  <b>J-C. TSCHANN</b> Supply Chain Manager	<b>Approved by:</b>  <b>E.CAMUS</b> QMR
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This document is property of Satys Electric (Thailand) Company Limited. It neither be copied nor communicated to a third party without prior authorization.  
 เอกสารนี้เป็นทรัพย์สินของบริษัท ซาทิส อิเล็กทริก (ประเทศไทย) จำกัด จะต้องไม่ถูกคัดลอกหรือสื่อสารไปยังบุคคลที่สามโดยไม่ผ่านการอนุมัติก่อน

<b>PURCHASING CONDITION</b>	
	Document no.: WI-PU-002
	Revision: 00
	Issue Date: 01/11/2024
	Page: 2 of 9

**1.0 PURPOSE:** To ensure externally provided processes, products, and services, including from sources defined by the customer are conformed to specified requirements in Satys Electric.

**2.0 SCOPE:** Will be applied to all products / raw material in Satys Electric.

**3.0 REFERENCE DOCUMENT:**

3.1 PR-0703-06 PURCHASING PROCEDURE

**4.0 EQUIPMENT:** ERP System (SAP)

**5.0 DEFINITION:**

- 5.1 PR = Purchasing Request
- 5.2 PO = Purchasing Order
- 5.3 AVL = Approve Vender List
- 5.4 Materials or raw materials are grouped into DIRECT & INDIRECT materials.
  - 5.4.1 Direct material – are the materials which are using to produce the products.
  - 5.4.2 Indirect materials – are the materials which are using to support to produce the products.
- 5.5 ME1M = SAP Function, purchase information records per material.
- 5.6 ME01 = Source list management.

**6.0 PROCEDURE:**

**6.1 APPLICABILITY OF THESE GENERAL CONDITIONS**

These General Purchase Conditions shall also be applicable for all future transactions with the Supplier, unless Satys Electric 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 Satys Electric 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.

Satys Electric tracks supplier performance based upon quality, delivery, and provision of required certificates/test reports, as applicable, and maintains supplier ratings accordingly. If suppliers fail to meet Satys Electric’s requirements for quality, delivery, terms and conditions (including those stated herein), supplier personnel will resolve such issues using means appropriate to the nature and severity of problems encountered. Resolution may involve correction, Corrective Action, or disqualification of suppliers from use, depending on the nature and severity of the issues.

**6.2 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 Satys Electric, even if there has been no acknowledgement of the order, shall be deemed to constitute acceptance of the present General Conditions.

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

Title:



# PURCHASING CONDITION

Document no.: WI-PU-002

Revision: 00

Issue Date: 01/11/2024

Page: 3 of 9

No variation of the Purchase Order will be binding on Satys Electric unless in writing and signed by a duty authorized representative of Satys Electric

Satys Electric 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

- If the Supplier is unable to supply the Goods/Service as specified, it must promptly notify Satys Electric. Subject to Satys Electric approval of the price and quality before delivery, the Supplier may offer another Goods/Service in substitution.
- Satys Electric may (at any time before delivery), cancel or change the Purchase Order. If this occurs, and:
  - The change causes an increase or 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.
  - The Supplier has already incurred expense in satisfying the Purchase Order, Satys Electric will pay the Supplier's reasonable expenses.

## 3) Correspondence

All correspondence pertaining to order must be addressed as:

Satys Electric (Thailand) Company Limited

55/20,77 Moo 15, Tambon Bangsaothong, Amphur Bangsaothong, Samutprakarn 10570, 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.

### 6.3 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 Satys Electric.

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 Satys Electric shall include invoice and a packing list which contains at least (i) the applicable order number, (ii) the Satys Electric part number, (iii) the quantity shipped, and (iv) the date of shipment.

If delivery or completion dates cannot be met, Supplier shall inform Satys Electric immediately. Such notice shall not, however, constitute a change to the delivery or completion terms of this Purchase Order unless Satys Electric 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, Satys Electric, at Satys Electric '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 Satys Electric for any resulting loss incurred by the Satys Electric.

Title:



# PURCHASING CONDITION

Document no.: WI-PU-002

Revision: 00

Issue Date: 01/11/2024

Page: 4 of 9

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

Satys Electric 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.

### 6.4 PAYMENT TERMS

If Supplier fails to fulfill any of its obligations under this Agreement, Satys Electric may suspend payment to Supplier. Satys Electric shall at all times have the right to set off and deduct from any amounts owing from Satys Electric to Supplier or any of its affiliates any amount owing from Supplier or any of its affiliates to Satys Electric, irrespective of the nature of any such claim.

### 6.5 OWNERSHIP & RISK

- (1) Title in Goods/Service will pass to Satys Electric on delivery on it site.
- (2) The Supplier assumes all risk in the Goods/Service until it is accepted by Satys Electric.

### 6.6 WARRANTIES

1) Supplier represents and warrants to Satys Electric 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 Satys Electric 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.

2) These warranties shall not be deemed to exclude Supplier's standard warranties or other rights or warranties which Satys Electric may have or obtain, shall survive any delivery, inspection, acceptance, payment or resale of the Goods, and shall extend to Satys Electric 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 Satys Electric's 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 Satys Electric

# PURCHASING CONDITION

Document no.: WI-PU-002

Revision: 00

Issue Date: 01/11/2024

Page: 5 of 9

## 6.7 ACCEPTANCE & REJECTION

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

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

Satys Electric may, at any time after acceptance, reject the Goods/Service if Satys Electric 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 Satys Electric does not accept any of the Goods or Services, Satys Electric shall promptly notify Supplier of such rejection, and Section "(1) non-Conformity of Goods or Services" below shall apply. Within two (2) weeks from such notification, Supplier shall collect the Goods from Satys Electric at its own expense or shall promptly perform the Services in accordance with Satys Electric'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, Satys Electric 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.

### Non-conformity of Goods or Services

Suppliers are required to notify Satys Electric of nonconforming product when it is discovered at supplier locations and in cases where release to Satys Electric has occurred, if applicable. Satys Electric's General Manager and/or affected Satys Electric customer representative must review and disposition such nonconforming product according to established Satys Electric or customer procedures.

If any Good or Service is defective or otherwise not in conformity with the requirements of this Agreement, Satys Electric 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 Satys Electric in respect of all costs and expenses (including, without limitation, Inspection, handling and storage costs) reasonably incurred by Satys Electric in connection therewith.

Suppliers are responsible to take Corrective Actions when Satys Electric or Satys Electric's customers flow down corrective action requirements, in cases when it is determined that suppliers are responsible for root cause. Actions may be documented using Satys Electric's Action Forms, Satys Electric's customer's forms, or supplier forms, as appropriate. Suppliers are required to respond to Corrective Action requests in a time define herein (24h to securise Satys Electric stock ,2 days to send action plan for corrective action 2 month to close non conformity. Corrective Actions must demonstrate cause analysis, action implementation, and verification of action effectiveness. Should actions prove ineffective, alternate actions may be requested, or suppliers may be disqualified for future use.

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

Title:



# PURCHASING CONDITION

Document no.: WI-PU-002

Revision: 00

Issue Date: 01/11/2024

Page: 6 of 9

## 6.8 INSPECTION

(1) Satys Electric 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 Satys Electric is made on the premises of Supplier, Supplier shall provide reasonable facilities and assistance for the safety and convenience of Satys Electric's inspection personnel. The goods so inspected shall on no account be deemed to have thereby been accepted. Satys Electric may or may not be accompanied by his End-Customers representative and/or authority's representatives.

(2) Examination of Records. The Supplier agrees that Satys Electric 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)

(3) Applicable Records. Suppliers are required to provide right of access by Satys Electric management, Satys Electric's customers, and regulatory authorities to all facilities involved in the order and to all applicable records, which will be kept for a minimum of ten-years or as our customers dictate. All export-controlled information provided cannot be transferred and or stored by electronic means. Satys Electric's customers or customer representatives are granted the right to verify at suppliers' premises (and at Satys Electric's premises) that subcontracted product conforms to specified requirements.

## 6.9 FOD or DAMAGE PREVENTION

Suppliers are required to flow down to their suppliers/subcontractors any applicable requirements in the suppliers' purchasing documents, to ensure Satys Electric's customer requirements are communicated to all responsible suppliers, including key characteristic requirements. Suppliers will handle and package parts in such a way to prevent FOD or damage during shipment.

## 6.10 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 Satys Electric. 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 Satys Electric. In the event Satys Electric gives such approval to Supplier, Supplier shall remain fully responsible and liable for such subcontractors.

## 6.11 SPECIAL PROCESS SOURCES

Suppliers must use special process sources that are approved by Satys Electric customers, as required. Suppliers must abide by Satys Electric's customers' supplier approval requirements, which are identified in Satys Electric Purchase Orders or in other written statements of requirement, when applicable.

## 6.12 GOODS EVOLUTION

Supplier shall not, without prior written consent of Satys Electric, 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.

# PURCHASING CONDITION

Document no.: WI-PU-002

Revision: 00

Issue Date: 01/11/2024

Page: 7 of 9

## 6.13 LIMITATION OF LIABILITIES & INDEMNITY

Satys Electric 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 Santsy Electric has been advised of the possibility of such damages. In no event shall Satys Electric 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 Satys Electric.

The Supplier indemnifies Satys Electric 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.

## 6.14 NON-WAIVER

Satys Electric'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 Satys Electric 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.

## 6.15 CHANGE PROCESS

Suppliers are required to notify Satys Electric of changes in product and/or process definition, changes of suppliers, that impact the quality of products or processes for which Satys Electric is responsible, and changes in manufacturing facility location. Satys Electric's General Manager and/or affected Satys Electric customer representative must review and approved proposed process changes before they are implemented, as required by Satys Electric customers.

## 6.16 TERMINATION BY Satys Electric

Satys Electric 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.

## 6.17 DISPUTES

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

## 6.18 COUNTERFEIT PART

a) For purposes of this clause, Work consists of those parts delivered under this Purchase Order that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, misrepresented as acceptable.

b) SELLER shall not deliver Counterfeit Work to Satys Electric under this Purchase Order.

c) SELLER shall only purchase products to be delivered or incorporated as Work to Satys Electric directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Satys Electric



Title:



# PURCHASING CONDITION

Document no.: WI-PU-002

Revision: 00

Issue Date: 01/11/2024

Page: 8 of 9

d) SELLER shall immediately notify Satys Electric with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by Satys., SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Purchase Order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

f) In the event that Work delivered under this Purchase Order constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Purchase Order. Notwithstanding any other provision in this Purchase Order, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation Satys Eclectic. costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies Satys Electric. may have at law, equity or under other provisions of this Purchase Order.

g) SELLER shall include paragraphs (a) through (e) and this paragraph (g) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Satys Electric.

## 6.19 CALIBRATION SUPPLIER

Suppliers of calibration services or calibrated devices are required to provide certificates of calibration bearing traceability to the National Institute of Standards and Technology (NIST).

## 6.20 NON-DISCLOSURE AGREEMENT

In consideration of the disclosure of Proprietary Information by the Satys Electric, supplier hereby agrees:

i. To hold the Proprietary Information in strict confidence and to take all reasonable precautions to protect such Proprietary Information (including, without limitation, all precautions the Receiving Party employs with respect to its own confidential materials)

ii. Not to disclose any such Proprietary Information or any information derived therefore to any third person


iii. Not to make any use whatsoever at any time of such Proprietary Information except to evaluate internally its relationship with the Disclosing Party

iv. Not to copy or reverse engineer any such Proprietary Information. The Receiving Party shall procure that its employees, agents and sub-contractors to whom Proprietary Information is disclosed or who have access to Proprietary Information sign a nondisclosure or similar agreement in content substantially similar to this Agreement

## 6.21 ETHIC

Satys Electric respect and support international principles aimed at protecting and promoting human rights, as described in the United Nations Universal Declaration on Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Satys Electric do not make business with any company who does not respect the human or children rights.



<b>PURCHASING CONDITION</b>	
	Document no.: WI-PU-002
	Revision: 00
	Issue Date: 01/11/2024
	Page: 9 of 9

**7.0 Record:** All record concerned, follow PR-0401-01 DOCUMENT INFORMATION CONTROL PROCEDURE

**8.0 ANNEX:** None.

**9.0 FORM:** None.

**10.0 SAFETY:** All safety concerned, follow PR-0603-20 EHS AND SECURITY MANAGEMENT PROCEDURE