Terms and Conditions for Purchase of Products / Services

1. Definitions

Unless the context requires otherwise:

"**Advantage**" includes, money, gifts, loans, commissions, offices, contracts, services, favours or discharge of liability.

"**Confidential Information**" means all technical knowledge, concepts, ideas, designs, programs, processes, procedures, innovations, inventions and other information (including financial, business operation, management, policies and strategies, market intelligence and data base information) whether in written or oral form or in any other medium disclosed by HKBN to the Vendor (including the terms and conditions of the Order).

"**Contract Material**" means any materials including programs, documents, information and data stored by any means, which are prepared or provided by the Vendor in the course of providing the Products/Services under the Order.

"Ethical Obligations" mean those obligations in Clauses 13 to 23 inclusive.

"**HKBN**" means HKBN Ltd, its subsidiaries, affiliates and associated companies (including Hong Kong Broadband Network Limited, HKBN Enterprise Solutions Limited, HKBN Enterprise Solutions HK Limited and HKBN JOS Limited) and its successors and assigns, which places the Order.

"**Intellectual Property**" means any present and future rights (whether registered or unregistered) in any patents, copyright, designs, software, documents and media on which information can be stored.

"**Order**" means the purchase order issued by HKBN to the Vendor specifying the Products/Services to be provided by the Vendor and such applicable terms including prices, payment terms, installation address and their delivery date.

"**Personal Data**" means personal data as defined under the Personal Data (Privacy) Ordinance (Cap. 486) ("PDPO") or any amendment thereof which is provided by HKBN or its associated company to the Vendor in any format or media, inclusive of any hard or electronic copies of data.

"**Products/Services**" means the products and/or services (as the case may be) as specified in the Order to be supplied by the Vendor to HKBN.

"**Vendor**" means the entity with which HKBN has placed the Order for the Products/Services.

"**working day**" means Monday to Friday excluding public holiday in Hong Kong.

2. Acceptance of Order

(a) The Vendor must confirm acceptance or rejection of the Order within 3 working days of the date of the Order by returning an acknowledgement to HKBN in a manner as specified by HKBN. Failure to do so shall constitute acceptance of the Order by the Vendor if the Vendor proceeds to deliver the Products/Services.

(b) The terms and conditions set out in the Order shall apply to the supply of Products/Services to HKBN by the Vendor. HKBN shall not be bound by any terms and conditions stipulated in any of the Vendor's forms or documents. Any variation of the terms and conditions in the Order must have the written agreement of HKBN.

3. Price

(a) The price for the Products/Services is as specified in the Order. The Vendor agrees and represents that the prices specified in the Order do not exceed their current selling prices to other customers for the same or substantially similar terms for comparable quantities of the Products/Services. Unless otherwise specified, the prices stated are inclusive of all charges and expenses of the Vendor and freight and insurance to destination, including packing, boxing, cartage and all applicable taxes and duties imposed by any governmental authority. All cash discount terms provided by the Vendor shall date from the date of delivery at destination or the date of receipt of invoice or date of settlement of dispute or claims, whichever is the latest. HKBN shall have no obligation to pay for any Products/Services prior to its acceptance of the same.

(b) The Vendor shall refund to HKBN an amount equal to the price charged for any returned spools, reels or other type of container upon their return by HKBN.

(c) HKBN may set-off any amount that it may recover from the Vendor against any amount due to the Vendor under the Order or any other contract between HKBN and the Vendor.

4. Delivery

(a) Time shall be of the essence for delivery of Products/Services. Where no installation service is included in the Order, the delivery date shall be the date the Products/Services are delivered to the destination as directed by HKBN. If the installation service is included in the Order, the delivery date specified shall be the date when the Products/Services have been installed or provided to the satisfaction of HKBN.

(b) HKBN may refuse any Products/Services and cancel all or any part of the Order without any costs or liability whatsoever, if the Vendor fails to deliver all or any part of the Products/Services in accordance with the terms and conditions hereof. In such event, HKBN may procure elsewhere and charge the Vendor for any losses and damages suffered by HKBN as a result thereof and the Vendor shall indemnify HKBN against all such losses and damages.

(c) Risk of loss or damage to any Products/Services supplied shall remain with the Vendor until HKBN's written acceptance of the same. Title to any Products/Services supplied shall be passed to HKBN upon acceptance of it by HKBN.

5. Personnel

The Vendor shall ensure that all its personnel who will carry out any work under the Order shall be properly qualified for the tasks they are to perform; and shall act, in all the circumstances, in a fit and proper manner while they are carrying out work or performing duties. The Vendor shall ensure that its personnel whilst on HKBN's site or other site as required by HKBN shall follow the instructions of HKBN. HKBN may give notice requiring the Vendor to remove personnel, from work in respect of the Order. The Vendor shall at its own costs promptly arrange for the removal of such personnel and their replacement with personnel acceptable to HKBN. The Vendor must not use any form of forced, coerced or bonded labour.

6. Warranty

(a) The Vendor warrants that the Products/Services to be furnished under the Order shall conform with the relevant manufacturer's specifications and any other applicable specifications(s), drawing(s), description(s) or sample(s), and shall be new (in the case of Products), of merchantable quality, fit for their intended purpose and free of defects, and in the case of Services they shall be rendered with professional skill, care, planning, supervision, control and judgement as expected of a professional organisation experienced in providing services of the type provided hereunder.

(b) All Products/Services delivered are subject to final inspection and approval by HKBN. HKBN may reject any Products/Services that do not conform to their requirements. If the rejected Products/Services have been paid for, they may be returned and charged back to the Vendor, including all inspection, handling and transportation expenses.

(c) Acceptance of or payment for all or part of the Products/Services supplied under the Order shall not be deemed to be a waiver of HKBN's right to claim for any losses, costs or damages, and to cancel or return all or any part thereof, due to any delay or other failure to conform to the terms and conditions of the Order.

(d) The above warranties shall survive acceptance and payment and shall enure for the benefit of HKBN (including its successors, assignees, subsidiaries and affiliates) and to HKBN's customers in the event of resale or incorporation into products or services supplied by HKBN to its customers. The above warranty shall be for a period of 18 months from the date of use or as provided in the Order.

7. New Model of Products

If the Vendor intends to introduce new generation of the Products ("**New Model**") it shall ensure that such New Model shall be compatible with the existing network or system of HKBN upon which the existing Products are deployed and shall have the functionalities and features of any existing Products which the New Model is to replace. Irrespective of the New Model, the Vendor shall, subject to Order, continue to supply and support the existing Products to HKBN.

8. Contract Material

Title to and ownership of Intellectual Property in all Contract Material shall vest upon its creation in HKBN. The Vendor shall when requested by HKBN, execute all documents and do all acts and things as requested by HKBN in connection with the obtaining of letters, patents, design, registration, copyright or any other form of protection whether in Hong Kong or elsewhere for the Contract Material and the vesting of the same in HKBN for its exclusive benefit. Such Contract Material shall be deemed to be held in trust for HKBN by the Vendor and shall be kept strictly confidential by the Vendor and its agents and employees and shall not be disclosed to others without HKBN's written consent. Such Contract Material shall be used solely for the purpose of supply of Products/Services to HKBN. Vendor shall store such Contract Material in a secure place and take all steps necessary to ensure that confidentiality of same are maintained at all times.

9. Intellectual Property

The Vendor guarantees that the Products/Services furnished hereunder or the use of the same by HKBN or its customers will not infringe any Intellectual Property rights of third party. The Vendor shall at its own expense defend any and all actions, suits or claims charging such infringement and shall indemnify and save harmless HKBN, its assignees, successors, customers and those for whom HKBN may act as agent in the purchase of said Products/Services, against all damages and costs (including legal fees and disbursements) incurred by HKBN as a result of any such infringement action or alleged infringement of third party rights covering and pertaining to the products or services furnished in connection with the Order.

10. Insurance

The Vendor shall insure against liability for death of or injury to persons engaged by the Vendor. The insurance cover shall be maintained for the duration of the Order. The insurance shall be extended to indemnify HKBN for HKBN's liability to persons engaged by the Vendor and the Vendor shall ensure that every subcontractor is similarly insured. Without limiting the Vendor's obligations under the Order, the Vendor shall, and shall ensure that any subcontractor shall arrange and maintain with a reputable insurance company for the duration of the Order an all risk insurance policy in respect of the Products/Services. The Vendor shall, on request of HKBN, produce to HKBN satisfactory evidence that the Vendor has an all risk insurance policy in respect of the Products/Services.

11. Liability and Indemnities

(a) HKBN and its employees or agents shall not be under any liability whatsoever for (i) any loss of or damage to any of the Vendor's property or that of its employees or agents howsoever caused; or (ii) any injury to or death of any of the Vendor's employees or agents.

(b) The Vendor shall indemnify HKBN and its employees or agents against any claims or demands made against HKBN or liability incurred (including all costs, charges or expenses whatsoever) by HKBN or any of its employees or agents for: (i) any loss, damage, injury or death referred to in sub-clause (a) of this clause (save and except injury or death cause by negligence of HKBN or any of its employees or agents); or (ii) any loss or damage sustained by or any injury or death of any third party in consequences of any negligence of the Vendor or any of its employees or agents.

(c) In the event of any of the Vendor's employees or agents suffering any injury or death in the course of fulfilling the Order and whether there be a claim for compensation or not, the Vendor shall within 7 working days give notice in writing of such injury or death to HKBN.

(d) The Vendor shall be responsible for complying with any laws/regulations issued by any competent authority in the country of manufacture. The Vendor shall indemnify HKBN against any penalty, losses or costs arising out of the Vendor's failure to comply with any of the said laws/regulations and HKBN may claim full compensation for the whole or any part of the Order not being completed as a result of such failure to comply.

12. Product Safety

Any Products/Services including Contract Material shall be produced and delivered in a manner that shall conform to all applicable laws and regulations and procedures and practices intended to prevent accidents or personal injury and shall be environmentally friendly. The Vendor's personnel involved in the delivery process shall be free from communicable disease. Shipping containers for hazardous chemicals and flammable materials shall be labeled to facilitate proper handling, storage and disposal. The Vendor's personnel shall observe HKBN's safety or security rules and regulations when visiting or working at HKBN's locations or its customer's premises.

13. Ethical Obligations

(a) The Vendor shall comply, and shall require its employees and subcontractors to comply, the Ethical Obligations.

(b) HKBN may take measures, such as announced and unannounced inspections of production facilities, to ensure compliance with the Ethical Obligations. The Vendor must maintain at each production facility all documents necessary to demonstrate compliance with the Ethical Obligations. The Vendor must allow representatives from HKBN and, if requested, HKBN's customers, full access to production facilities, worker records and workers for confidential interviews.

(c) The Vendor shall take necessary corrective actions to promptly remedy any identified non-compliance. HKBN may terminate the Order at any time by providing 7 days prior written notice if the Vendor fails to comply with any of the Ethical Obligations.

(d) If the Vendor or its employees or subcontractors become aware of anything that is in violation of the Ethical Obligations, the Vendor must report this to HKBN as soon as practicable.

14. Anti-bribery and corruption

The Vendor must not offer any kind of Advantage to any employee of HKBN. The Vendor shall observe and comply with the provisions of the US Foreign Corrupt Practices Act and Hong Kong's Prevention of Bribery Ordinance (Cap 201) or other relevant laws and regulations prohibiting bribery and corruption.

15. No Child Labour

The Vendor must:

(a) comply with the standards set out in the International Labour Organisation Convention 138 with respect to the prohibition of child labour, namely that no person shall be employed at an age younger than 15 (or 14 where the national law so allows);

(b) comply with local laws regarding the minimum age of employees; and
(c) comply with all legal requirements for the work of authorised young workers, particularly those pertaining to hours of work, wages, working conditions and the handling of certain materials.

16. Wages and Benefits
The Vendor must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, the Vendor must pay workers for overtime hours at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate.

17. Health and Safety
The Vendor must make workers' safety a priority and provide workers a clean, safe and healthy work environment in compliance with all legally mandated standards for workplace health and safety in the countries in which they operate. This obligation extends to any residential facilities the Vendor provides to its workers.

18. Equal Opportunity and Non-Discrimination
The Vendor must ensure employment – including hiring, payment, benefits, advancement, termination and retirement – is based on ability and not on any other personal characteristics.

19. Environmental Protection
The Vendor must comply with all local environmental laws applicable to the workplace, the products produced and the methods of manufacture. The Vendor must not use materials that are considered harmful to the environment.

20. Subcontracting
The Vendor must not use subcontractors in the provision of Products or Services without prior written approval from HKBN. The Vendor must ensure that any subcontractor adopts business practices that are consistent with the Ethical Obligations.

21. Economic Sanctions
The Vendor must comply with all applicable laws and regulations for economic sanctions wherever the business activities may take place. The Vendor must not engage in any transactions with any territories that are subject to an embargo by the U.S. Government including Cuba, Iran, North Korea, Syria, Sudan and the Crimea region.

22. Confidential Information
The Vendor shall maintain in strict confidence and in safe custody and shall ensure that its directors, employees and agents shall keep in strict confidence and in safe custody any Confidential Information, communicated to it by or acquired from HKBN. The Vendor shall not disclose any Confidential Information or use the said information other than for the purpose for which it is disclosed, without the prior written consent from HKBN.

23. Data Privacy and Data Security
(a) The Vendor shall comply with, and procures that each of its subsidiaries, personnel, employees, subcontractors and agents shall comply with and take all practical steps to ensure compliance with the PDPO and such guidelines and procedures as notified by HKBN from time to time, and all third-party obligations and applicable laws regarding the collection, use, transfer, storage, protection, disposal and disclosure by the Vendor and its subsidiaries of Personal Data.
(b) The Vendor shall comply with data security policies imposed by HKBN in force from time to time.
(c) The Vendor shall and shall procure that each of its subsidiaries, personnel, employees, subcontractors and agents shall:
(i) Keep all Personal Data confidential and shall not divulge any Personal Data obtained under or in connection with the Order;
(ii) Use, store and process the Personal Data solely for the purposes of performing the Order and shall not copy or use any such Personal Data obtained under or in connection with the Order for any purpose other than for the purpose in connection with the Order;
(iii) Not to keep any Personal Data longer than is necessary for performance of the Order;
(iv) Return, destroy or delete Personal Data and Confidential Information obtained under or in connection with the Order upon completion of its obligations under the Order or on a regular basis as directed by HKBN from time to time or on HKBN's request;
(v) Take all necessary security measures to prevent unauthorized or accidental access, alteration, modification, processing, erasure, loss or use of the Personal Data and Confidential Information;
(vi) Immediately report to HKBN in writing any sign of abnormalities (including without limitation unusual frequent access of Personal Data and Confidential Information by a staff at odd hours), security breaches or Personal Data and/or Confidential Information leakage incidents;
(vii) Implement robust Personal Data protection and data security policies and procedures to ensure data in the Vendor's care is properly safeguarded at all times;
(viii) Provide adequate personal data protection and data security training to its employees and its agents; and
(ix) Provide an audit report on compliance to any confidentiality requirement of HKBN at the request of HKBN.

This clause 23 shall survive the termination of the Order. The Vendor shall indemnify and hold harmless HKBN, its assignees, successors, customers and those for whom HKBN may act as agent in the purchase of Products/Services from any costs, penalties or other losses caused by, or related to, any violation or breach of this clause.

24. Assignment
HKBN may assign any of its rights and interests under the Order. The Vendor shall not assign any rights and obligation under the Order without the prior written consent of HKBN.

25. No Conflict of Interest
The Vendor warrants that it shall not, either alone or in association with, be directly or indirectly involved in any activity which may in any way adversely affect HKBN's interests, without the prior written consent of HKBN. For clarity the Vendor shall not directly approach any customers of HKBN for whom HKBN procures the Products/Services unless with the written consent of HKBN.

26. Termination Right and Consequences
(a) HKBN may at any time, with or without cause, suspend or cancel the Order, in whole or in part, without liability, costs or damages to the Vendor whatsoever except for Products/Services already provided and accepted by HKBN.
(b) HKBN may terminate the Order in whole or in part if the Vendor (i) is in material breach and fail to remedy the breach to HKBN's satisfaction within 7 days of receipt of written notice from HKBN; or (ii) becomes subject to any form of insolvency administration.
(c) On termination of the Order HKBN may procure from any other sources substantially similar products and/or related services and the Vendor shall be liable to HKBN for any reasonable expenses incurred and any losses sustained by HKBN.

27. Governing Law
The rights and obligation of the parties herein shall be governed by the laws of Hong Kong and the parties agree to be subject to the exclusive jurisdiction of the courts of Hong Kong.

28. Third Party Rights

The Contracts (Rights of Third Parties) Ordinance (Cap.623) shall not apply to the Order. For clarity, a person who is not a party to the Order shall have no right to enforce the Order.

29. Confirmation of Non-Connected Person Status

The Vendor hereby represents, warrants and confirms to HKBN that, as at the date of the Order and at all times during the term of the Order, neither Vendor nor any of its associates (as defined below) is a "connected person" of HKBN Ltd. ("**Company**") within the meaning of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and in particular that the Vendor is not:

(a) a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, nor a person who has held any such position within the 12 months preceding the date of the Order;

(b) an associate of any of the persons referred to in paragraph (a) above;

(c) a connected subsidiary of the Company; or

(d) a person otherwise deemed to be connected with the Company by the Listing Rules or by The Stock Exchange of Hong Kong Limited. The Vendor further represents, warrants and confirms that there does not exist, between itself (together with its ultimate beneficial owner(s), controlling shareholder(s), directors, senior management and employees) on the one hand and China Mobile Communications Group Co., Ltd. or any of its subsidiaries (collectively, the "**CMCC Group**") on the other hand, any relationship of direct or indirect control, domination or influence by the CMCC Group, including without limitation any equity control relationship and any contractual or de facto arrangement that enables the CMCC Group to exercise control over, dominate, or exert significant influence upon the Vendor or any of the aforesaid persons. The Vendor undertakes to notify HKBN in writing immediately upon becoming aware of any change in circumstances which would render any of the above representations and warranties untrue, inaccurate or misleading. For the purpose of this clause, the terms "connected person", "associate", "substantial shareholder", "connected subsidiary" and "subsidiary" shall have the respective meanings ascribed to them under the Listing Rules.

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