

General Terms of Purchase Contracts

1. General Terms

With respect to Goods and/or Service to be purchased by PLANSEE China Ltd. ("PLANSEE CHINA") from the supplier, upon fair negotiation, the parties hereby agree that these General Terms shall be applicable to and constitute a basis of the purchase relation between the parties.

2. Composition of the Contract

All transaction documents to be entered into by and between PLANSEE CHINA and the supplier for purchase of Goods and/or Service shall include the General Terms of Purchase Contracts and Purchase Order. The General Terms of Purchase Contracts shall specify fundamental rights and obligations of the parties. The Purchase Order shall set out major transaction terms and conditions of the parties, including but not limited to description of Goods and/or Service, quality standard, price, packaging, delivery, inspection, confirmation of purchase orders, etc. In case of conflicts, these General terms shall prevail over any Purchase Order between PLANSEE CHINA and suppliers.

3. Representations and Warranties of the Supplier

In execution and performance of the contract, the supplier shall at all times be in full compliance with all applicable laws, regulations, rules, governmental standards, decision of governmental authorities, effective judgement of courts, and PLANSEE CHINA's Supplier Policy, Code of Conduct and other standards and requirements, and shall obtain and retain all licenses, permits and qualifications necessary for the performance of this contract.

The supplier warrants that it has undisputable ownership over Goods and/or Service to be offered by it, that there is no defect or encumbrance that may prevent the circulation of Goods and/or Service, that there is no infringement of any third party's trademark, patent and other intellectual properties, and that services to be rendered by it conform to the national and industrial standard.

The supplier undertakes that it will take due care of the intellectual property (including without limitation to specifications, designs, drawings), trade secrets and any other materials or information provided by PLANSEE CHINA as well as the Goods and/or Service customized for PLANSEE CHINA on basis of such intellectual property, trade secrets and any other materials or information (collectively, "PLANSEE's Property"). Without PLANSEE CHINA's prior written consent, the supplier shall neither disclose nor offer the PLANSEE CHINA's Property to any third party, nor shall it use them for any purpose other than for this contract. After the purpose of this contract has been realized or requested by PLANSEE CHINA, the supplier shall timely return PLANSEE's Properties. If the supplier breaches any of the foresaid representations or warranties, it shall constitute a material breach hereof, and PLANSEE CHINA shall be entitled to immediately terminate the contract and purchase order.

4. Price

The supplier undertakes that Goods and/or Service to be rendered by it to PLANSEE CHINA shall be at the most favourable price. PLANSEE CHINA shall also be entitled to other favorable price, discounts and preference offered by the supplier to other customers, and such preferences shall be automatically applicable to the purchase order.

Except for service products and/or services, the price of Goods and/or Service to be delivered to PLANSEE CHINA shall include all taxes at the delivery place (unless otherwise agreed by the parties). The price of service products and/or service shall be specifically agreed by the parties in the purchase order.

5. Packaging; Delivery

Unless otherwise provided by laws or industrial standards, the supplier shall package and mark the Goods and/or Service in accordance with PLANSEE CHINA's requirements. The supplier shall be solely and fully liable for any damage to Goods and/or Service resulting from improper packaging.

Delivery shall be made at the time and place specified in the Purchase Order. If the delivery is made earlier or later than the delivery date, the supplier shall be liable for any and all losses and/or additional costs incurred by PLANSEE CHINA arising therefrom.

At the time of delivery, the supplier shall also provide documents and instruments in connection with the Goods and/or Service, including but not limited to the delivery list, invoice, inspection certificate and operation manual. If the relevant documents and instruments provided by the supplier is or are incorrect, PLANSEE CHINA shall be entitled to reject the Goods and/or Service, and any and all losses arising therefrom shall be borne by the supplier.

The supplier shall deliver to PLANSEE CHINA the exact quantity of Goods and/or Service as those specified in the purchase order. If the quantity delivered by the supplier is less than the ordered quantity or otherwise non-conforming, PLANSEE CHINA shall have the option either to reject or accept the Goods and/or Service, and may reserve the right to claim liabilities against the supplier for short delivery and all damages arising from delivery of defective products. If the quantity delivered by the supplier exceeds the ordered quantity, PLANSEE CHINA shall have no obligation to receive and take care of the excessive portion thereof. If such Goods are produced on basis of PLANSEE CHINA's patent or other intellectual properties, the supplier should deal with the excess goods according to PLANSEE CHINA's requirements (such as delivering the excess goods to the place designated by PLANSEE CHINA or destroying the excess goods as required by PLANSEE CHINA), and all the extra costs and risks should be borne by the supplier.

6. Inspection of Goods and/or Service

Goods and/or Service to be delivered by the supplier to PLANSEE CHINA either under this contract or the purchase order shall: (1) conform to requirements of the purchase order and to the relevant applicable drawings, standards, sanitary requirements and the instructions; (2) be brand new and free from defects in material and workmanship; (3) be safe and fit for normal use or sale (and fit for consumption in case of food material); (4) be produced in compliance with relevant laws, regulations, industrial standards and PLANSEE CHINA's Supplier Policy and Code of Conduct; (5) be free of any pledge, lien or other encumbrance, and, in case of any conflict among different quality standards applicable to such Goods and/or Service, the higher quality standard shall prevail; and (6) (in case of service goods and/or service) comply with relevant laws, regulations, industrial standards, and requirements of the purchase order.

Upon receipt of the Goods and/or Service (or upon completion of the relevant services in case of service products), PLANSEE CHINA will conduct an inspection on the Goods and/or Service within a reasonable period to check out whether the quantity and quality thereof conform to provisions of the contract and the purchase order. Nature, quantity, installation, time for test run, and other factors shall be taken into account when determining the reasonable period, provided that the reasonable period shall be no less than thirty workdays.

The supplier acknowledges that: the supplier's ultimate liabilities for the warranties and risks of Goods and/or Service shall not be released or exempted by PLANSEE CHINA's quantity-and-quality inspection. With respect to Goods and/or Service not conforming to terms of the contract or the purchase order, PLANSEE CHINA shall be entitled to request supplementary delivery, replacement or return thereof, and the relevant costs and losses shall be borne by the supplier.

7. Payment

PLANSEE CHINA shall not be obliged to make any payment unless and until the supplier has performed its obligation of delivery (which shall have been accepted and confirmed by PLANSEE CHINA) as agreed. The specific time, method and currency of payment shall be agreed by the parties in the relevant purchase order.

Unless otherwise agreed by the parties, prior to payment by PLANSEE CHINA, the supplier shall deliver payment documents that comply with the relevant laws, regulations and PLANSEE CHINA's requirements thirty days in advance, including but not limited to lawful tax invoices, list of received goods, acceptance confirmation, and statement of account. If the supplier fails to timely deliver all payment documents required by PLANSEE CHINA, PLANSEE CHINA shall be entitled to delay the payment until receipt of all relevant documents, and such delay shall not be deemed as a breach of agreement.

8. Services Regarding Goods

The supplier shall timely provide PLANSEE CHINA with services in respect of the Goods and/or Service (including repair and maintenance services thereof) in accordance with commitments made by the supplier and standards no less than the common industrial standard. If PLANSEE CHINA consents in writing, then the supplier may designate a qualified third party to render such service of the Goods and/or Service, provided that the supplier's ultimate liabilities therefor shall not be exempted

Fees for services to be rendered by the supplier and its designated third party or parties in respect of the Goods and/or Service shall be included in the price of the Goods and/or Service, and no additional fee shall be paid by PLANSEE CHINA.

9. **Transfer of Risks and Ownership**

Risk, liabilities and relevant costs and expenses in connection with the damage to and loss of Goods and/or Service shall be transferred to PLANSEE CHINA upon delivery to and actual possession by PLANSEE CHINA, provided that the risks, liabilities and relevant costs and expenses thereof shall still be borne by the supplier if PLANSEE CHINA rejects or requests replacement or return of Goods and/or Service and temporarily keeps the same.

Ownership and relevant ancillary rights of the Goods and/or Service shall be transferred to PLANSEE CHINA at the time of reaching the premise of Plansee, provided that no transfer of ownership and ancillary rights thereof shall take place if PLANSEE CHINA rejects or requests replacement or return of such Goods and/or Service and temporarily keeps them.

10. **Liability for Breach of the Contract**

If, due to the supplier's liability, any third party's claim or investigation or penalty of administrative department is made against PLANSEE CHINA, or any damage or additional cost is incurred by PLANSEE CHINA, the supplier shall fully indemnify PLANSEE CHINA and hold PLANSEE CHINA harmless from the foregoing.

If, without statutory exemption or excuse, the supplier delays its performance of this contract and the purchase order, which results in that the purpose of this contract becomes unable to realize, PLANSEE CHINA shall have the right to unilaterally cancel part of or all purchase orders or to terminate the contract, and the supplier shall compensate all losses incurred by PLANSEE CHINA as a result thereof.

PLANSEE CHINA shall be entitled to return the goods, and may reserve the right to return goods, deduct payment, request compensation for losses, and to take all other remedies permitted by laws, if the supplier (i) fails to supply Goods and/or Service in accordance with the quality, price, quantity or other terms specified in the purchase order(s), (ii) offer false invoice or certificates, or (iii) consolidated cargo without explanation (save for the situation permitted by common business practice).

11. **Trade Secrets**

The supplier shall treat all trade secrets and information (whether marked with "confidential" or not) of PLANSEE CHINA that comes to its knowledge during the execution and performance of the contract in confidential. Without PLANSEE CHINA's prior written consent, the supplier should not disclose PLANSEE CHINA's trade secret or information to any third party (except for disclosure required by laws and regulations). Trade secrets and information includes but is not limited to: technical information and data in connection with the production, manufacturing, research and development of goods, business plan, market strategy, special packaging, etc.

12. **Governing Law and Dispute Resolution**

The execution, effectiveness and performance of as well as dispute under this contract shall be governed by laws and administrative rules of the People's Republic of China, without regard for its choice and or conflict of laws provisions.

Any controversy or dispute arising from or in connection with this contract shall be settled by the parties through friendly consultation. If no agreement can be reached through such consultation, either party may submit the dispute to the Shanghai International Arbitration Center for arbitration.