

Conditions of sale, November 2022

1. Definitions

- 1.1 "Buyer" means the organization or person, and any of its affiliates anywhere in the world, who buys or agrees to buy the Goods from the Seller.
- 1.2 "Conditions" means the terms and conditions set forth herein.
- 1.3 "Sales Contract" means any order, contract or other binding agreement for the sale of the Goods by the Seller to the Buyer.
- 1.4 "Delivery Date" means the date specified by the Seller when the Goods are to be delivered (the Gregorian calendar prevails).
- 1.5 "Goods" means the goods, products and other items which the Buyer agrees to buy from the Seller.
- 1.6 "Price" means the price for the Goods, including VAT, but not including other taxes (if any).
- 1.7 "Seller" means the member of the ALBIS Group listed in the Sales Contract, including any of its affiliates anywhere in the world.
- 1.8 "CNY" means "China Yuan".

2. Application of Conditions

- 2.1 These Conditions shall apply to all Sales Contracts to the exclusion of all other terms and conditions (including any terms or conditions which the Buyer may purport to apply under any purchase order or similar document, which are all explicitly rejected by the Seller).
- 2.2 No order for the Goods will take effect until a Sales Contract has been concluded in writing by the Seller and the Buyer in writing (including via fax or email). The Goods name, quantity, unit price, total price, trade terms, payment terms as defined in the Sales Contract have binding effect on the Seller and the Buyer.
- 2.3 Acceptance of delivery of the Goods shall be deemed conclusive evidence of the Buyer's acceptance of the Sales Contract, including these Conditions.
- 2.4 Any variation to these Conditions as may be desired by the Seller shall be null and void unless made in writing and sent via fax or email.
- 2.5 The latest edition of the Incoterms published by the International Chamber of Commerce is incorporated herein as supplementary. If there is any conflict or inconsistency between the provisions set out herein and those of the Incoterms, the provisions set out herein shall prevail.

3. Price, Payment and Tax

- 3.1 The Price shall be subject to the Sales Contract, provided that Seller may make reasonable changes to the Price in the event of changes in costs (in particular, cost changes in raw materials, public utilities, transportation or labor, or due to foreign exchange effects) after conclusion of the Sales Contract.
- 3.2 Unless otherwise agreed in writing by the Seller, the Buyer shall pay the full amount of purchase price to the Seller based on the invoice or payment notice issued by the Seller. The time of payment is a material element of these Conditions.
- 3.3 Interest on overdue invoices shall accrue on a daily basis from the due date until the date of actual payment at an interest rate of 0.05% per day (compounding annually). The Buyer agrees to pay the Seller all expenses incurred in the process of collecting the payment, including but not limited to, legal proceeding/arbitration/enforcement/attorney fees etc., and related travel/accommodation expenses.
- 3.4 In case of any overdue payment, or if the Seller becomes aware of any circumstances that reduce Buyer's creditworthiness, the Seller may immediately suspend the delivery under all pending Sales Contracts and demand advance payment.
- 3.5 VAT is included in the Price of the Goods. However, the Buyer shall directly pay the Seller any other existing or additional taxes and fees (except for the VAT) with respect to the Price, sale and delivery of any Goods hereunder, unless such claim is waived by the Seller in writing via fax or email.

4. Goods

- 4.1 The quality and description of the Goods shall be subject to the Sales Contract.
- 4.2 The Seller shall make its best efforts to provide advice on technical application. However, such advice shall not be binding, and the Buyer is still obliged to check the fitness for intended purpose of each delivery prior to processing. The Buyer is solely responsible for the use, application and processing of the supplied Goods, as well as for ensuring that such purpose complies with all applicable laws and regulations.
- 4.3 Unless prior permission is given by the Seller in writing via fax or email, risk analysis is conducted on a case-by-case basis, and all applicable laws and regulations are met, the Goods shall not be used for the following purposes:
 - a) Medical devices of Class III as specified in the Rules for the Classification of Medical Devices of the People's Republic of China;
 - b) Human body implantable medical devices (permanent implants) of any class, which is intended to be implanted for more than 30 days, as specified in the Rules for the Classification of Medical Devices of the People's Republic of China;
 - c) Medical devices used to support or sustain life;
 - d) Production of weapons or other objects that cause injury or death; or
 - e) Manufacture of aircraft, unless the supply is used for the manufacture of products dedicated to the interior trim of the aircraft cabin.

5. Warranties

- 5.1 Subject to clauses 5.2 and 7, the Seller warrants that at the time of delivery the Goods conform to the description given by the Seller in the Sales Contract (any information in catalogues, price lists, websites and promotional materials are indicative and non-binding, and shall not be relied on). Further, there are no other warranties, conditions or terms relating to fitness for purpose, merchantability or condition of the Goods, whether or not implied by statute or common law, etc.
- 5.2 The above warranty shall not apply, and no liability for the Seller exists, if a Good: a) only contains a minor defect that does not materially impact use or safety; b) contains a deviation (in quantity, quality or otherwise) within the tolerances specified by the Seller, or in absence thereof a deviation of less than 10%; c) is used strictly in compliance with Seller's advice for use, d) is subject to any alteration, modification, processing, comingling or repair by the Buyer or a third party; or e) is defective due to (1) any drawing, design or specification supplied by the Buyer, (2) fair wear and tear, or (3) the Buyer's or any third party's negligence, mishandling, overuse or improper storage.

6. Delivery of Goods

- 6.1 Unless otherwise agreed in writing by the Parties, the Goods shall be delivered under the Incoterm Ex Works (EXW) at the Seller's place of business. The Buyer shall make all arrangements necessary to take delivery of the Goods whenever they are tendered for delivery.
- 6.2 The Delivery Date is an estimate only and shall under no circumstances be deemed a firm deadline.
- 6.3 The Seller may deliver the Goods by instalments. Each instalment shall be separately invoiced and paid for.
- 6.4 Deliveries which exceed or fall short of contractually agreed quantities within a range of up to 10% are permitted. The invoice amount shall be adjusted pro rata.
- 6.5 The Seller shall not be liable for any delay in delivery due to the following causes:
 - a) Circumstances beyond the Seller's reasonable control, including but not limited to force majeure, personal acts of the Buyer, acts or omissions of third Parties, governmental or military acts, government priorities, fire, strikes/labor unrest, riots, flood, epidemic, war, civil disorders, terrorists, delays due to lack of transportation, etc.; or
 - b) The Seller fails or delays to obtain proper labor, raw materials and facilities due to the reason beyond its reasonable control. In case the delay is caused by any of the above reasons, the Seller's performance period shall be extended accordingly from the date of such delay until the cause thereof is disposed of.

7. Acceptance of Goods and Remedies of Buyer

- 7.1 The Buyer shall inspect all Goods immediately upon delivery. The Buyer shall be deemed to have accepted the Goods 48 hours after delivery to the Buyer, and the Goods shall be deemed to be in conformity with the contract and free from any claims by the Buyer.
- 7.2 Unless a prompt written notification is sent by the Buyer to the Seller within 48 hours after delivery of the Goods stating that the Goods do not conform to the Sales Contract accompanied by sufficient evidence, the Seller is not liable in respect of the Goods. Even if there is a prompt notification sent by the Buyer within 48 hours after delivery of the Goods stating that the Goods do not conform to the contract, the Seller is also entitled to reject the return of the Goods before verification.
- 7.3 Subject to clause 7.2, in respect of any non-conforming Goods delivered, Seller may, at its sole discretion, either replace the non-conforming Goods or refund the corresponding purchase price thereof. The Seller shall not assume any other liability.
- 7.4 Subject to clause 7.1 above, where the Buyer accepts or is deemed to have accepted any Goods, the Seller shall have no further liability to the Buyer in respect of such Goods.

8. Title and Risk

- 8.1 The legal and beneficial ownership of the Goods will not pass to the Buyer until the Buyer has paid in full the purchase price. Until then, the Buyer shall take custody of the Goods as the Seller's trustee and agent and shall store or place the Goods separately for the identification of the Seller's ownership. Upon the Seller's first request, the Buyer shall deliver the Goods to the Seller or its agent. At no time before full payment of the purchase price shall the Buyer sell or use the Goods.
- 8.2 The risks of the Goods shall pass on delivery of the Goods.

9. Liabilities

- 9.1 Notwithstanding anything to the contrary, the Seller shall not be liable for any indirect or consequential loss, punitive or liquidated damages, damages not foreseeable by the Seller, damages claimed by third Parties, nor for any loss of profits, business, revenue, production, contracts, reputation or goodwill (even if the Seller has prior knowledge of the possibility of damage).
- 9.2 In no event shall the Seller's total liability exceed the total Price of the relevant Goods.
- 9.3 The Buyer shall, and shall procure each of its affiliates to, assert claims in respect of the Sales Contract against the Seller only, rather than any of the Seller's affiliates.
- 9.4 Nothing contained herein shall exclude or limit any party's liability that is not excluded or limited by applicable mandatory laws.

10. Remedies of Seller

- 10.1 The Buyer shall indemnify and hold harmless the Seller and its related Parties from any and all losses, damages, expenses (including reasonable legal fees), costs, charges, penalties, claims, judgements, actions and proceedings arising from or in connection with: (i) any breach by the Buyer of any Sales Contract, these Conditions or any other agreement between the Parties, (ii) any fraud, negligence, misconduct or violation of applicable laws by the Buyer or its related Parties, or (iii) any claims in respect of any Goods made by any third party (including end-user/product liability claims).
- 10.2 In case the Buyer breaches any of its obligations under any Sales Contract or these Conditions, the Seller is entitled to (a) suspend or terminate the relevant Sales Contract and any other Sales Contracts (without any prior or formal notice), and (b) retain Buyer's (pre)payments to cover possible loss from resale of the Goods.
- 10.3 The Buyer shall procure each of its related Parties to comply with the terms of each Sales Contract, these Conditions and any other agreement between the Parties as if the related party itself would be a party thereto together with, or instead of, the Buyer.

11. Miscellaneous

- 11.1 If any one or more of the provisions of these Conditions are invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect. Such invalid or unenforceable provision shall be deemed to be replaced by a valid and enforceable provision which has the economic utility and effect as close as possible to the original intent.
- 11.2 This Contract shall be governed and construed by the laws and regulations of the People's Republic of China.
- 11.3 Any disputes arising from or in connection with this Contract shall be resolved by Shanghai International Arbitration Center (hereinafter referred to as "SHIAC") in accordance with the SHIAC arbitration rules then in force. The arbitration shall be conducted in Shanghai, and the language used in the arbitration proceedings shall be Chinese. The award shall be final and binding on both Parties. The arbitration fees shall be borne by the non-prevailing Party. If the case is partially success or lose, the arbitration fees shall be borne by the Parties in proportion.