

## General Terms of the Sales Contract (Overseas Sales)

### 1. General Provision

- 1.1. Composition of the Contract: The Contract includes its main body (the “**Sales Contract**”), General Terms of the Sales Contract (the “**General Terms**”) and its other annexes. The General Terms govern general rules for the sales of products by the Seller to the Buyer and Parties’ basic rights and obligations. The Sales Contract governs main commercial terms of Parties’ transactions, including but not limited to description of products, quality standards, quantity, packaging, delivery and etc. The General Terms, the Sales Contract and other annexes constitute the integral content of the Contract, to which the Parties shall strictly comply.
- 1.2. In case of a conflict between the General Terms and the Sales Contract, the Sales Contracts shall prevail.

### 2. Price and Payment

- 2.1. The Total Contract Price indicated under the Sales Contract includes any costs which are at the Seller's charge according to this Contract (or the Applicable Trade Terms). However, should the Seller bear any costs which, according to this Contract, are for the Buyer's account (e.g. for transportation or insurance under EXW or FCA), such sums shall not be considered as having been included in the Total Contract Price and shall be reimbursed by the Buyer.
- 2.2. If the Parties have agreed on the payment method and milestone according to the Sales Contract, unless otherwise agreed in the Sales Contract, the advance payment must be received by the Seller's designated bank account at least 30 days before the agreed date of delivery or the earliest date within the agreed time of delivery.
- 2.3. If the Parties have agreed on payment by letter of credit, unless otherwise agreed in the Sales Contract, the Buyer must arrange for an irrevocable letter of credit at sight issued by a reputable bank acknowledged by the Seller, subject to the Uniform Customs and Practice for Documentary Credits published by the International Chamber of Commerce, listing the Seller as beneficiary, and notify the Seller at least 30 days before the agreed date of delivery or the earliest date within the agreed delivery period.
- 2.4. In the event of the return shipment solely attributed by the Buyer, any resulting expenses not stipulated in the Sales Contract, including but not limited to return shipment fees, demurrage charges, detention fees, and waiting time fees, shall be borne by the Buyer separately. The events of the return shipment solely attributed by the Buyer include but are not limited to: (1) the buyer explicitly refuses to take delivery of the Products; (2) the products are not taken delivery of within 10 working days after arriving at the port/place of destination.

### 3. Delivery

- 3.1. The Seller shall deliver the products in accordance with the time and method of delivery set forth in the Sales Contract, subject to the Buyer’s fulfillment of its obligations under the Sales Contract in a timely manner, including but not limited to: (i) making amount payable (such as advance payment. etc.) (if any) as agreed in the Sales Contract before the delivery of the products/performance of the accompanying services (if applicable); (ii) issuing of the letter of credit according to the time limit stipulated in the Sales Contract, and the letter of credit shall meet the requirements of this Contract (if payment by the letter of credit is applied) (including the extension and/or modification of the letter of credit as required by the Seller in the case of any contract changes), (iii) obtaining all necessary licenses and approvals before timely provision and delivery of the products (if any), (iv) providing all technical documents and data (if applicable) including necessary drawings and technical specifications and etc. to perform the Sales Contract (including but not limited to the Seller’s production, packaging, transportation, etc.), and (v) under FOB, sending ship(s) to receive the products within the agreed period. If any of the above conditions is not satisfied, the Seller has the right to suspend the performance of this Contract until the Buyer has fulfilled its prior obligations as above. The time of delivery and related progress of the Sales Contract (including acceptance and service, etc.) shall be extended accordingly, and the Seller is not responsible for such delay. The Seller shall be reimbursed by Buyer for the additional costs and expenses arising therefrom (if any), including but not limited to fee for re-arrangement of production, storage, detention and freight.
- 3.2. In the event that Seller fails to deliver the products within the time of delivery as set forth in the Sales Contract for reasons solely attributable to the Seller, the Buyer may claim liquidated damages for late delivery according to the Sales Contract. Such liquidated damages shall be the sole and exclusive remedy for such delay in delivery of the Seller. If the Parties have agreed on the aforementioned delay in delivery, the Seller shall not be liable.

### 4. Package

- 4.1. Unless otherwise agreed under the Sales Contract, the Seller will arrange the shipment of products according to its standard commercial standards, costs of which shall be included in the Total Contract Price. If specific packing or shipping instruction is agreed, additional charges thereof, shall be borne by the Buyer.

## 5. Inspection and Acceptance

- 5.1. Pre-inspection before shipping: If Parties agree that the Buyer has the right to pre-inspect the products before shipment, the Seller must notify the Buyer within a reasonable time before shipment that the products are prepared for pre-inspection at the agreed inspection location. If the Buyer fails to carry out the pre-inspection at the agreed time and place for the inspection or fails to issue a written certificate to the Seller immediately after the pre-inspection, the pre-inspection shall be deemed to be completed and the Buyer has no objections.
- 5.2. Unpacking inspection: The Buyer shall conduct unpacking inspection on the packaging, specifications, quantity and external conditions of the products within thirty (30) days after the products arrive at the destination port (place) ("**Appearance Inspection Period**"). The Buyer shall notify the Seller the inspection time and place in advance and the Seller has the right to appoint a representative to participate in the inspection. If the products are discovered to be damaged, missing, wrongly delivered or have other inconformity with this Contract, the Buyer shall notify the Seller in writing within the Appearance Inspection Period. Except for the responsibilities that should be borne by the carrier or insurance company, the Seller shall make up, replace, or resend the products and bear related expenses. If the Buyer does not notify the Seller of any discrepancies within the above Appearance Inspection Period, the package, quantity, specification and external conditions of the delivered products shall be deemed to conform to the agreement between the Parties
- 5.3. Within thirty (30) days (the "**Acceptance Period**") from the date when the products arrive at the destination port (place), the Buyer shall inspect the quality of the products in accordance with the quality standards stipulated in the Sales Contract or agreed by both parties, and send the Seller a written confirmation of acceptance. If the Buyer discovers that the quality of the products does not conform to the provisions of this Contract, except for the responsibilities that should be borne by the carrier or insurance company, the Buyer may within the Acceptance Period claim compensation from the Seller based on the inspection certification issued by the inspection authority specified in the Sales Contract or other reputable inspection authority recognized by both parties. If the Buyer does not confirm the acceptance in writing within the Acceptance Period and claim to the Seller as agreed above, the Buyer shall be deemed to accept the products delivered by the Seller and the Seller shall be deemed to have completed its all delivery obligations under this Contract.
- 5.4. If the Buyer's objections to the quality of the products is caused by a defect that does not derogate the performance of the products, and the Buyer receives the products upon agreed with the Seller to adjust the sales price of such products or reaching other conditions, the products shall be deemed to have pass the acceptance and the Seller shall be deemed to have completed the corresponding delivery obligations.
- 5.5. If the Parties agree in the Sales Contract that the products ordered by the Buyer do not require inspection and acceptance when delivered, and the Seller have completed the delivery of the products in accordance with Article 3 of the General Terms, the Seller shall be deemed to have completed the corresponding delivery obligations under this Contract and the Buyer has acknowledged and accepted such products.
- 5.6. In any case when part or all of the products are put into commercial operation, the products shall be deemed to have passed the Buyer's inspection and acceptance, and the Seller shall be deemed to have completed all delivery obligations under this Contract.
- 5.7. After the products pass or are deemed to have passed the Buyer's inspection and acceptance in accordance with Article 5 of the General Terms, the Buyer should not refuse to accept the products, pay the due contract price and/or hold the Seller liable for breach of contract based on that the products do not conform to the Contract.

## 6. Ownership and Risk Transfer

- 6.1. The risk of loss of or damage to the products shall be transferred from the Seller to the Buyer based on the Applicable Trade Terms upon delivery and delivery shall be interpreted according to the International Rules for the Interpretation of Trade Terms (the "**INCOTERMS**"). If products are prepared for delivery but the Buyer refuse or fail to receive the delivered products on time in violation of the contract, or fail to take necessary measures to receive the products, the risks shall be deemed to have transferred to Buyer on the date that the Buyer breaches the agreement.
- 6.2. The Seller retains the ownership to the products until Buyer has paid the contract price in full, including the Total Contract Price and transportation, packaging and other additional costs specifically agreed by the Parties. If requested by the Seller, the Buyer shall cooperate with the Seller to go through the aforementioned registration procedures for retention of ownership.
- 6.3. The Buyer shall not sell, give away, transfer, mortgage, pledge or otherwise dispose of the products owned by the Seller. If the Buyer violates the provisions of this article, regardless of whether the invoice for the corresponding payment has been issued or the payment period agreed in the Sales Contract is due, all the amounts payable to the

Seller under the Sales Contract shall be immediately due, and will not affect the Seller's taking other relief measures agreed under the Contract.

## **7. Quality Warranty**

- 7.1. The Seller warrants that the products will meet the specifications as described in the Sales Contract. The Buyer shall use the products reasonably and correctly based on the specifications and technical standards. Unless expressly stated in the Sales Contract by the Seller, the Seller disclaims representations and warranties of any kind with respect to the products, including, without limitation, any representations and warranties as to marketability, resale, fitness for particular purpose or representations and warranties of any other matters not included in the specifications of products and technical standards mentioned in the Sales Contract. This article shall survive the termination or cancellation of the Contract.

## **8. Limitation in Liability**

- 8.1. The Seller shall be liable for bear the corresponding compensation liability of any direct losses caused by breach under the performance of the Contract to the Buyer. If the Seller's breach of contract both violates this Contract and constitutes a tort, the Buyer has the right to choose to claim the liability for breach of contract or tort from the Seller, but once the Buyer make choices, it shall not regret and repeatedly request the Seller to bear the liability for breach of contract and tort for the same breach act.
- 8.2. **Unless the Seller has gross negligence or intentional misconduct, under any other circumstances the Seller's cumulative liability related to this Contract shall not exceed the upper limit of liability stipulated in the Sales Contract. If there is no clear regulation in the Sales Contract, the upper limit of liquidated damages and liability of the Seller to the Buyer under the Contract should not exceed the amount of the contract price excluding tax actually received by the Seller for the part of the products that directly caused the loss.**
- 8.3. **In no event is Seller responsible for any operational or investment loss of production, profit, interest, revenues, loss of information or data, damages or indemnification based on the Buyer's third party contracts or any losses that are not directly caused by the Seller's breach of contract, regardless of whether such losses are foreseeable.**

## **9. Force Majeure**

- 9.1. Neither the Buyer nor the Seller shall be liable for failure of performing the Contract when such failure results from the occurrence of force majeure, which is hereby defined as an event unforeseeable, beyond reasonable control of the Party to whom such force majeure occurs, including but not limited to, acts of god, natural disasters, labor disputes, lock out, war or warlike situation, riot, public disaster, breakdown of equipment critical to perform the Contract, transportation delays or accidents, acts of government (such as but not limited to expropriation, suspension and revocation of approvals or permits), changes in laws and policies, and outbreak of epidemic.
- 9.2. The Party affected by force majeure shall inform the other Party in writing without any delay of the force majeure event as well as the impact of such event on the performance of the Contract. The Parties shall continue fulfilling obligations of the Contract after the end of the force majeure event or its effect eliminates. Term (e.g. time of delivery) related to the performance shall be extended accordingly, while the Party affected by force majeure shall immediately notify the other Party of the end or elimination of the force majeure event.

## **10. Intellectual Property**

- 10.1. The Seller guarantees that the products provided shall be free from any infringement of third party's intellectual property right according to the law of the Seller's domicile when this Contract is signed. In the event a third party asserts a legitimate claim against the Buyer based on an infringement of its intellectual property rights with respect to the products provided by the Seller and used in compliance with the Contract, the Seller shall be liable to the Buyer for the following obligations:
- (1) The Seller shall at his own option and expenses either acquire the legal right to use the products, modify the products so as not to infringe the intellectual property rights or replace the corresponding products. If Seller fails to rectify the above infringement, the Buyer is entitled to terminate the Contract and the Seller shall take back the corresponding products and refund the Buyer the contract price for such part of products;
  - (2) Seller's aforesaid obligations shall apply only if the Buyer a) has immediately notified the Seller in writing of the claims asserted by the third party; b) has not acknowledged an infringement in any kind; and c) authorized the Seller to defend against and/or reach a settlement with the third party, and agreed that the Seller shall have full discretion for this.

- 10.2. The Seller does not assume the obligations stipulated in this Article 10, and the Buyer has no right to claim for damages if the infringement of intellectual property rights was caused by 1) design or specific demands of the Buyer, 2) use the products which contradicts with the Seller's requirements or the manner or purpose stipulated in the Contract, or 3) the Buyer's alteration of the products without the Seller's authorization, or 4) the Buyer's using the products together with products not provided by the Seller. If the Seller is subject to any third-party claims or liabilities due to the above circumstances, the Buyer shall also provide the Seller with defense and compensation.
- 10.3. Except for the territory stipulated in Article 10.1, the Seller has no knowledge of and makes no representations or warranties of the law and policies of other regions or countries and their application, the legality and circulation of the products in the local area, and whether the products infringe the intellectual property rights of third parties. The Buyer should by itself acknowledge and understand the law and policies of the products ordered in the intended places via the transportation, the destination, the end user, the Buyer's customer, or other regions and countries related to the Buyer's purchase, transportation, use and disposal of the products, and determine whether the products infringe third parties' intellectual property rights and other rights under such law. The Seller does not assume any responsibility hereof.
- 10.4. The Seller reserves the intellectual property rights it owned of the products under the Contract ("**Seller's Intellectual Property Rights**"), including but not limited to the patents, copyrights, trademarks and other industrial property rights, proprietary technology and knowhow etc. related to the design, production, installation, test, use and maintenance of the products. For the purpose of the Contract, the Seller agrees to grant to the Buyer a non-transferable, non-extra chargeable, revocable, non-exclusive license to Seller's Intellectual Property Rights necessary to use the products and their parts sold under the Contract, term of which shall be the same as the term of this Contract and such license cannot be sublicensed. The materials, documents and information related to Seller's Intellectual Property Rights provided by the Seller in writing or verbally, including but not limited to the designs, drawings, guidelines, instructions, etc. provided by the Seller shall also be subject to the provisions of Article 19 of the General Terms. The Buyer does not have the rights to use the products for purposes other than using as normally, or grant the products for others to use, especially not for the reproduction of the products or their parts similar to the products or for other commercial purposes.

## **11. Amendment of Contract**

- 11.1. If the Buyer intends to amend any agreements of the Contract (including but not limited to the name, specifications/type, quantity, quality requirements and technical standard of the products, place of delivery, time of delivery, way of delivery, transportation and package, etc.), it shall notify the Seller in writing no later than 40 days before the agreed delivery date or the earliest day within the time of delivery, and the Seller has the right to choose whether to agree or not. If the Seller does not agree to such amendments, the Buyer shall receive the products and pay the contract price according to the original agreement of this Contract; if the Seller agrees to the amendments, the costs incurred shall be borne by the Buyer, if there are changes in the design of the products or the manufacturing, the Seller has the right to modify the quality standards stipulated in the Contract accordingly, and the Buyer shall bear the impact of such changes on the quality of the products. The Seller shall not bear any responsibility due to the delays in delivery caused by such changes.

## **12. Termination of the Contract**

- 12.1. Either Party may terminate the Contract immediately upon the occurrence of any of the following events: (1) materially breach of contract by the other Party and the breaching Party does not rectify within reasonable periods after receiving the notice sent by the non-breaching Party; or (2) entry into bankruptcy or liquidation proceedings or insolvency of the other Party. In addition, in case the Buyer fails to make advance payment or provide a letter of credit that meets the requirements of this Contract within 30 days after execution of the Contract, the Seller shall be entitled to terminate this Contract immediately.
- 12.2. If the Contract is terminated by the Seller in accordance with the above Article 12.1, the Seller is entitled to reimbursement from the Buyer for all the reasonable and necessary fees and costs that the Seller has paid for the performance of this Contract, limited to the Total Contract Price. The Seller reserves further rights including the right to claim damages hereunder.

## **13. Entirety**

The Contract and its annexes comprise the complete and final agreement between the Buyer and Seller and supersede all the negotiations, proposals, representations, warranties, promises, reconciliation, understandings or agreements between Buyer and Seller prior or during the signing, either written or oral, on the subject of the Contract. Except as expressly stipulated in this Contract, the Seller is not bound by any other quotations, definitions, conditions,

guarantees, commitments, amendments or confirmations of the Contract or the sale of products under the Contract. The Contract may not be altered or amended except by written agreement of Buyer and Seller. The Parties are entitled only to such rights and to make such claims which are expressly provided in the Contract.

**14. Succession and Assignment**

The Contract is binding on the Buyer and Seller and their respective successors and the agreed transferee, and shall be deemed to be concluded for their benefit by then. The Buyer may not assign any interest in, nor delegate any obligation under the Contract to any third party, without the Seller's prior written consent.

**15. Governing Law and Terminology Rules**

The conclusion, validity, construction and performance of the Contract are governed by the law of the People's Republic of China. (For the purpose of this Contract, the laws of Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region are not included.)

Unless otherwise stipulated in the Sales Contract, the interpretation of the terms and conditions related to this Contract shall apply to the latest version of the INCOTERMS by the International Chamber of Commerce when this contract is executed.

**16. Dispute Resolution**

All claims, disagreements or disputes arising out of or in connection with this Contract, including any question regarding its existence, validity, termination or its performance, or in connection with arrangements regarding the performance of this Contract shall be submitted to Shanghai International Arbitration Centre (SHIAC) and be settled in accordance with the arbitration rules of SHIAC then effective when the application for arbitration is submitted. The arbitration shall be conducted in Shanghai and the arbitral language shall be Chinese. The arbitration award shall be final and binding upon the Parties.

**17. Sanction**

The Parties hereby represent and warrant to each other that as of signing of the Sales Contract by the Parties and for the future, the Party, directly or indirectly, is not under sanctions regime imposed by the Office of Foreign Asset Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce, the U.S. Department of State, the European Union, the United Kingdom or any other country or organization whose decisions, programs and acts are legally binding.

Buyer shall comply with all applicable export control and trade embargo laws, rules and regulations (including but not limited to the U.S. Export Administration Regulations), and shall not resell export, re-export, distribute, transfer or otherwise dispose of materials, directly or indirectly, without first obtaining all necessary written consents, permits and authorizations and completing such formalities as may be required by any such laws, rules and regulations.