

**General Terms and Conditions of Sale**  
**WuXi TianYi Precision Fabrics Co., Ltd.**  
 No. 28, Xigang West Road, Donghutang, Donggang Town  
 Xishan District, Wuxi City - China

**1. General Conditions**

- 1.1 These general terms and conditions of sale ("General Conditions") apply to all negotiations and sale contracts between WuXi TianYi Precision Fabrics Co., Ltd. ("SAATI") and any buyer ("Buyer") for the sale by SAATI of any product ("Product/s") and constitute an integral part thereof.
- 1.2 These General Conditions prevail over any conflicting general conditions of purchase of Buyer, unless otherwise specifically agreed in writing by the parties.
- 1.3 Amendments or waivers to these General Conditions are valid only if agreed in writing by SAATI.

**2. Order and Order Confirmation**

- 2.1 A contract is concluded upon issuance by SAATI of an order confirmation ("Order Confirmation") confirming that SAATI accepts a Buyer's purchase order ("Order") and it is formed by the following contractual documents: the Order, the Order Confirmation and these General Conditions ("Contract"). In the event, however, of a conflict between these General Conditions and any terms and conditions set out in an Order Confirmation, the latter shall prevail.
- 2.2 All Orders and Order Confirmations must be in writing and can be sent either by e-mail or by any other appropriate means of communication agreed by SAATI.
- 2.3 The placement of an Order by Buyer entails full acceptance of these General Conditions. Any Order constitutes an irrevocable and binding offer to purchase until an Order Confirmation is issued and in any event for 15 business days as of its receipt by SAATI.
- 2.4 SAATI has no obligation to accept (all or part of) an Order. Orders accepted by an Order Confirmation cannot be cancelled or amended by Buyer, unless otherwise agreed in writing by SAATI.
- 2.5 If an Order Confirmation contains changes to the Order, such changes shall be considered accepted and the Contract finalized with such changes, unless Buyer objects to the Order Confirmation in writing, within 3 business days as of its receipt.
- 2.6 SAATI's quotations are only valid in writing and for 30 calendar days from the date of the quotation, unless otherwise set forth in the quotation. SAATI may refuse and shall have no obligation to sell or deliver Products based on a quotation, unless and until SAATI issues an Order Confirmation.
- 2.7 NO PRIOR PROPOSALS, QUOTATIONS, STATEMENTS, FORECASTS, COURSE OF DEALING OR USAGE OF TRADE WILL BE PART OF THE CONTRACT BETWEEN THE PARTIES UNLESS OTHERWISE AGREED IN WRITING BY SAATI.

**3. Delivery, Transfer of Title**

- 3.1 Delivery terms (including estimated delivery dates) are, subject to these General Conditions, as indicated in the Order Confirmation. The Products will be delivered Ex Works (Incoterms 2020) unless otherwise agreed in the Order Confirmation.
- 3.2 SAATI shall use all reasonable efforts to deliver the Products in accordance with the agreed delivery terms and inform Buyer in case it anticipates significant delays. In any case, unless otherwise explicitly agreed in writing by SAATI, delivery dates in the Order Confirmation are for reference purposes only and SAATI shall not be liable for any claims and damages arising from any delay in delivering the Products. No delay shall be deemed to constitute a valid ground for Buyer to cancel the delayed Order.
- 3.3 Buyer is responsible for obtaining any import licenses and other permits and consents required for the Products transportation at its own expenses, and will provide the licenses, permits and consents to SAATI before then.
- 3.4 Upon delivery of the Products, Buyer must control the external state, exact number and weight of packages. In the event of any visible damage or discrepancies relating thereto, Buyer has to record in the shipper's documents/delivery list the type of damage and/or discrepancies detected and to promptly notify SAATI thereof, upon penalty of forfeiture.
- 3.5 Unless otherwise agreed in writing by the parties, title to the Products shall pass upon transfer of the risk to Buyer, as per agreed Incoterm.

**4. Products, Documentation and Certificates**

- 4.1 The quantity, quality and description of the Products are, subject to these General Conditions, as indicated in the Order Confirmation and in any applicable technical specifications provided by SAATI to Buyer or otherwise agreed in writing by SAATI.
- 4.2 Products delivered may have a tolerated variance up to maximum +/- 10% against quantities set forth in the Order Confirmation. Buyer shall notify SAATI in writing of any quantity discrepancies, upon penalty of forfeiture, within 8 calendar days as of the delivery.
- 4.3 Buyer is responsible for the choice (based on intended use) and use of the Products. Accordingly, Buyer has to request and carefully verify the Products' technical specifications before placing any Order. SAATI is not responsible for erroneous orders placed by Buyer and has no duty to identify or cure.
- 4.4 Any declarations of conformity and/or inspection certificates relating to the Products has to be expressly requested by Buyer in the Order and will not be provided by SAATI if requested at a later stage.

**5. Quality Warranty and Claims**

**A) Warranty for all Products Sold by SAATI (Other Than Equipment and Relevant Spare Parts)**

- 5.1 SAATI warrants that Products delivered to Buyer shall be compliant with the technical specifications provided by SAATI or otherwise agreed in writing by SAATI ("Specifications") for a period of 24 months or, with regard to chemical Products, 18 months, as of the relevant delivery to Buyer, unless a different term is indicated in the Product's technical data sheet as provided by SAATI or available in SAATI's website ("TDS") or as otherwise agreed in writing by SAATI, in which case compliance with Specifications will be warranted for such different term ("Warranty Term"). Product's shelf life, if any, will be as indicated in the TDS or otherwise agreed in writing by SAATI. Any drawings, illustrations or information contained in SAATI's publications (catalogues, brochures, etc.) are provided for general information purposes only: Buyer shall not rely on such drawings, illustrations or information.
- 5.2 Buyer shall inspect the delivered Products before any use, including assembly or manufacturing process. In case a Product is non-compliant with the Specifications ("Non-conforming Product") Buyer shall, upon penalty of forfeiture, notify in writing to SAATI any visible non-compliance, within 8 calendar days as of the receipt of the Product and any non-visible or hidden non-compliance, within 8 calendar days as of the relevant discovery, but in any event within the Warranty Term, providing all required information and details. SAATI shall have the right to receive from Buyer, upon request, samples of the allegedly Non-conforming Products and to inspect them in order to investigate the claim. Any costs incurred by SAATI for investigating and repairing allegedly Non-conforming Products which turn out to be not covered by the warranty will be charged to Buyer. Buyer shall diligently act to mitigate any damages connected with the delivery of any Non-conforming Products.
- 5.3 SAATI shall, at its option, either replace the Non-conforming Products at no extra cost for Buyer or reimburse Buyer of the price paid for Non-conforming Products.
- 5.4 Buyer acknowledges and agrees that the remedies set forth in this section 5 are exclusive and in lieu of any other remedies, and that no further damages or indemnification may be claimed by Buyer, for Non-conforming Products.

- 5.5 SAATI's liability for Non-conforming Products is excluded in any event in case of: (i) natural wear and tear, (ii) non-compliances of the Products with the Specifications due to reasons for which Buyer bears responsibility, such as improper use (e.g. overloading, chemical or electrolytic effects, acts of third parties), and improper handling or storage of the Products after delivery by SAATI. Unless otherwise agreed in the Specifications or the Product's TDS, proper storage conditions require Product being at all time at room temperature (15 - 25 °C), with no direct exposure to heat or light and in their original package.

**B) Warranty for Equipment and Relevant Spare Parts Sold by SAATI**

- 5.1 SAATI provides a 12-month warranty on equipment from the date of its installation at Buyer's designated premises and a 6-month warranty on relevant spare parts from the relevant date of delivery to Buyer, unless otherwise agreed in the Contract, in which case the warranty shall be for such different term ("Warranty Term"). The warranty exclusively covers manufacturing defects, as well as compliance with specifications to the extent specifically agreed in the Contract and is non-transferable.
- 5.2 Buyer shall, upon penalty of forfeiture, notify in writing to SAATI any manufacturing defects or non-compliance with agreed specifications, within 8 calendar days as of the relevant discovery, but in any event within the Warranty Term, providing all relevant information and details. SAATI shall have the right to inspect the Products in order to investigate the claim. Buyer shall diligently act to mitigate any damages.
- 5.3 The warranty provides for the repair of the equipment and spare parts, by an authorized service organization at the expense of SAATI and includes parts and materials as well as labor costs necessary to restore the Product to working order, provided that the Product is used as recommended by SAATI and complies with the other terms of SAATI warranty. All broken or defective parts must be returned to SAATI upon request. In the event equipment or spare parts cannot be repaired, SAATI shall, at its option, replace them at no extra cost for Buyer or reimburse Buyer of the price paid, in both cases taking into consideration time of use by Buyer.
- 5.4 Any costs incurred by SAATI for investigating and repairing manufacturing defects or non-compliances with agreed specifications which turn out to be not covered by the warranty will be charged to Buyer.
- 5.5 Buyer acknowledges and agrees that the remedies set forth in this section 5 are exclusive and in lieu of any other remedies and that no further damages or indemnification may be claimed by Buyer, for manufacturing defects or non-compliances with agreed specifications of equipment and spare parts, nor for any other defects.
- 5.6 SAATI's liability is excluded in any event in case of: (i) natural wear and tear, (ii) defects or malfunctioning of the Products due to reasons for which Buyer bears responsibility after delivery or installation by SAATI, such as improper use (including unauthorized software modification) and improper handling, maintenance or storage of the Products, alteration or modification of the Products by Buyer without SAATI written consent, work or repairs performed by a person or technician not authorized by SAATI. The warranty will not operate in relation to Products not paid according to the agreed terms.
- 5.7 The warranty terms of the original manufacturer will apply in lieu of the above provisions, in case the Products are merely distributed by SAATI.

**6. Limitation of Liability and Indemnification**

- 6.1 EXCEPT FOR THE WARRANTY CONTEMPLATED IN SECTION 5 ABOVE, SAATI MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING WITHOUT LIMITATION, IN RELATION TO THEIR MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE (WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO SAATI IN SPECIFICATIONS, DRAWINGS, OR OTHERWISE, AND WHETHER OR NOT THE PRODUCTS ARE SPECIFICALLY DESIGNED AND/OR MANUFACTURED BY SAATI FOR BUYER'S USE OR PURPOSE), OR IN RELATION TO THEIR COMPLIANCE WITH ANY LEGAL OR REGULATORY REQUIREMENTS THEY MAY BE SUBJECT TO, BASED ON THEIR FINAL OR INTENDED USE (INCLUDING, WITHOUT LIMITATION, RELATING TO HEALTH, SAFETY AND TRADE CONTROL), AND ANY LIABILITY OF SAATI IN RELATION THERETO IS EXPLICITLY EXCLUDED.
- 6.2 To the maximum extent permitted by applicable mandatory provisions of law:
- IN NO EVENT WILL SAATI BE LIABLE TO BUYER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO LOSS PROFITS AND LOST BUSINESS), WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE ARISING OUT OF OR RELATED TO THE CONTRACT, AND WHETHER OR NOT SAATI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES;
  - SAATI's maximum aggregate liability for any damages arising out from or in connection with any breach of contract or the supply of the Products, whether based upon warranty, contract or otherwise, shall be in any event expressly limited to the amount invoiced for the Products which gave rise to the liability.
- 6.3 Buyer shall defend, indemnify and hold SAATI harmless from and against any claims, damages, liabilities, direct and indirect losses (including without limitation claims for breach of contract, death or injury to a person or injury to property, other tort claims, and loss of profit), expenses and any other costs arising out of or resulting from any third party claims relating to the Products or any failure by Buyer to comply with any term, covenant, representation, certification, or warranty contained in the Contract or at law, or from any act or omission of Buyer or Buyer's agents, employees or subcontractors. This indemnity shall survive the expiration or earlier termination of the Contract. This indemnity is without prejudice to any other claims or rights that SAATI may have, whether under these General Conditions, at law or otherwise.

**7. Prices and Payment Terms**

- 7.1 Prices and payment terms are, subject to these General Conditions, as indicated in the Order Confirmation. For no reason may Buyer suspend or delay the payment of the Products, even in case of claims related to the Products. SAATI reserves the right to renegotiate prices in good faith, in the event of material increase of cost-determining factors such as, by way of example, raw materials and labor costs.
- 7.2 Unless otherwise agreed in writing by SAATI, prices are intended in CNY and do not include freight, taxes (including, without limitation, VAT), customs duties and other possible costs.
- 7.3 Payments must be made by Buyer by bank transfer to the account designated by SAATI, without any deduction, discount or set-off. Any foreign bank charges will be borne by Buyer.
- 7.4 In case of Buyer's failure to make a payment by the due date, late payment interest will be due to SAATI according to the applicable laws. Furthermore, any outstanding claims of SAATI vis-à-vis Buyer will become immediately fully due and payable and any agreed discounts, bonus and deliveries will be suspended, until the date of receipt by SAATI of the full payment of any due and payable amount. Any other rights and remedies available at law remain unaffected.
- 7.5 SAATI is entitled to suspend the performance of its obligations, in case the financial condition of Buyer deteriorates in such a way to put at risk the fulfillment of its payment obligations.

**8. Invoices**

- 8.1 Unless otherwise agreed in writing by the parties, the invoices will be issued by SAATI as per terms indicated in the Order Confirmation.

**9. Intellectual Property**

- 9.1 SAATI is and remains the owner (or licensor) of all drawings, know-how, designs, specifications, inventions, samples, prototypes, devices, developments, manufacturing processes, copyrights, trademarks, patents, patent applications and any other proprietary information and material disclosed or otherwise provided to Buyer by SAATI or on its behalf in connection with the sale of the Products (including any developments, modifications or customizations thereof) as well as of all rights therein ("Intellectual Property").
- 9.2 Buyer shall have no claim to, nor ownership interest in, any Intellectual Property. Buyer acknowledges that no license or rights of any sort are granted to Buyer in respect of any Intellectual Property, other than the limited right to use the Products and/or to re-sell them in the context of Buyer's business activities.
- 9.3 Buyer shall not use, directly or indirectly, in whole or in part, SAATI's name, or any other trademark or trade name that is now or may hereafter be owned by SAATI, as part of Buyer's corporate or business name, or in any way in connection with Buyer's business, except in a manner and to the extent authorized by SAATI in writing.
- 10. Confidential Information**
- 10.1 The Contract and its existence as well as all information and material furnished or made available in any form by SAATI to Buyer in connection with the Products, SAATI and its affiliates, shall be held in strict confidence by Buyer. Buyer agrees (i) not to disclose such confidential information to any third parties (either directly or indirectly) without SAATI's prior written consent, (ii) to use confidential information exclusively for agreed purposes and (iii) to return any confidential information upon SAATI's request.
- 10.2 The obligations in this section 10 will not apply to any information which (i) at the time of disclosure was or thereafter becomes, generally available to the public by publication or otherwise through no fault by Buyer, (ii) Buyer can show by written records was in its possession prior to disclosure by SAATI, or (iii) is legally made available to Buyer by a third party having no direct or indirect confidentiality obligation to SAATI with respect to such information.
- 10.3 Confidentiality and non-use obligations set forth herein shall survive and not be affected by the termination for whatever reason of any Contract.
- 10.4 Neither Buyer nor any of its representatives may examine or audit SAATI's accounts, records or any other document that SAATI considers confidential or proprietary.
- 11. Force Majeure**
- 11.1 SAATI will not be liable for failure to perform a contractual obligation in a timely manner, when its failure results from events beyond its reasonable control (each a "Force Majeure Event"), including acts of God, epidemics, pandemics, riots, cyberattacks, acts of war whether declared or undeclared, embargoes, labor strikes (whether of SAATI's employees or the employees of others), raw material shortages, material increases in costs of raw materials. If a Force Majeure Event occurs, the time for performance will extend for such time as reasonably necessary to enable SAATI to perform.
- 11.2 SAATI may, during any period of shortage due to any of the above circumstances, allocate its available supply of Products among itself and its purchasers in such manner as SAATI, in its judgment, deems fair and equitable.
- 12. Termination for Breach**
- 12.1 SAATI shall be entitled to terminate the Contract in the event of breach of any of its provisions by Buyer, if such breach is not remedied by Buyer within 15 calendar days as of the receipt of a written remedy request from SAATI. In any event, SAATI shall be entitled, to terminate the Contract with Buyer with immediate effect, by written notice in the event of any of the following:
- Buyer's breach of its payment obligation or of any provision of section 9 and 10;
  - Buyer's filing or entering into any voluntary liquidation or insolvency proceeding;
- without prejudice to any other right or remedy contemplated herein or available at law.
- 13. Compliance**
- 13.1 Buyer agrees to comply with all laws and regulations applicable to Buyer's obligations hereunder and Buyer's use of the Products, including import/export laws, labor laws and anticorruption laws.
- 14. Miscellanea**
- 14.1 SAATI may assign or transfer, in whole or in part, any of its rights and obligations vis-à-vis Buyer as well as, together with the relevant business or substantial part thereof, the Contract, to any third parties.
- 14.2 The invalidity or unenforceability of any provision of these General Conditions under any mandatory applicable law, shall not affect the validity or enforceability of the remaining provisions. Any such invalid or unenforceable provisions, shall be deemed to be replaced by a valid and enforceable provision, which to the maximum extent permitted most closely matches the intent and purpose of the invalid or unenforceable one.
- 14.3 No waiver of any right by SAATI shall be deemed, or will constitute, a waiver of any other right, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by SAATI.
- 14.4 The relationship of the parties hereunder shall be that of independent contractors. Nothing in the Contract shall be deemed to create a partnership, joint venture, or similar relationship between the parties and no party shall be deemed to be an agent of the other party.
- 15. Governing Law and Jurisdiction**
- 15.1 The Contract shall be governed by and construed in accordance with the laws of the People's Republic of China, without giving effect to any other choice-of-law or conflict-of-laws rules or provisions, including the UN Convention on the International Sale of Goods.
- 15.2 Any dispute between the parties arising out of or in connection with the Contract (including on per-contractual or non-contractual matters), shall be submitted to the exclusive jurisdiction of the Court of Wuxi, excluding any other jurisdiction or arbitration.