

**General Terms and Conditions of Purchase**  
**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 purchase ("General Conditions") apply to all negotiations and purchase contracts between WuXi TianYi Precision Fabrics Co., Ltd. ("SAATI") and any supplier ("Supplier") for the purchase by SAATI of any products ("Product/s") and constitute an integral part thereof.
- 1.2 These General Conditions prevail over any conflicting general conditions of sale of Supplier, 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. Purchase Orders**

- 2.1 A contract is concluded upon issuance by Supplier of a written order confirmation accepting SAATI's purchase order ("Order"), provided that if an Order Confirmation is not sent by the Supplier within 5 business days as of the receipt of the Order, or if the Supplier starts performing the Order, the Order shall be deemed accepted and the contract concluded ("Order Confirmation"). The Order, Order Confirmation and these General Conditions are the contractual documents forming the contract ("Contract").
- 2.2 Prior to the acceptance of the Order, SAATI shall have the right to revoke the Order at its sole discretion.
- 2.3 The acceptance of an Order by Supplier implies full acceptance of these General Conditions.
- 2.4 If an Order Confirmation contains changes to the Order, such changes shall need to be explicitly confirmed by SAATI in writing.
- 2.5 EXCEPT AS OTHERWISE PROVIDED HEREIN i) SAATI OBJECTS TO AND REJECTS THE PROVISIONS OF ANY ACKNOWLEDGMENT, ORDER CONFIRMATION, WARRANTY STATEMENT, OR INVOICE WHICH IS INCONSISTENT WITH OR IN ADDITION TO THE PROVISIONS HEREIN, ii) THE CONTRACT SHALL BE THE COMPLETE AND EXCLUSIVE CONTRACT BETWEEN THE PARTIES WITH RESPECT TO THE PRODUCTS and iii) NO PRIOR PROPOSALS, QUOTATIONS, STATEMENTS, FORECASTS, COURSE OF DEALING OR USAGE OF TRADE WILL BE PART OF THE CONTRACT BETWEEN THE PARTIES.

**3. Delivery, Transport Documents, Transfer of Title**

- 3.1 The delivery terms, applicable Incoterm and delivery dates are, subject to these General Conditions, as indicated in the Order. All deliveries must be made during the open hours of the SAATI unit receiving, and must likewise be made at the locations, deposits or warehouses stated in the Contract. Supplier acknowledges and agrees that delivery dates are of the essence for SAATI. Supplier will timely notify SAATI in case of delays. In the event any Product shipment is not made in time for delivery on the date and in the quantity set forth in the Contract, SAATI, at its discretion, may:
  - return to Supplier some or all of the Products in the shipment at Supplier's risk and expense, including without limitation warehouse or handling cost;
  - direct Supplier to make an expedited shipment of additional or replacement Products, with the difference in cost between any expedited routing and the Contract to be paid by Supplier; or
  - terminate the Contract without prejudice to any other rights or remedies available at Contract or law.
- 3.2 Supplier is responsible for obtaining any export licenses and other consents required for the Products transportation at its own expense and will provide the licenses and consents to SAATI before then.
- 3.3 The Products must be accompanied by transport documents and packing list always indicating: purchase order number, date of shipment, item code and description, quantity and weight. In case of non-EU Suppliers, unless otherwise specified in the Order, the following additional documents must be received by SAATI before the Products' delivery: invoice and packing list, certificate of origin, original bill of lading and any other transport document required by applicable laws. Supplier shall be liable and indemnify SAATI for any damages arising from Supplier's failure to deliver the above documents in a timely manner.
- 3.4 SAATI shall be entitled to refuse the delivery or the acceptance of the Products, in case transport documents are missing or not complete.
- 3.5 The Products shall be properly packed and secured in accordance with the delivery terms so as to reach their destination in an undamaged condition in the ordinary course of business.
- 3.6 Unless otherwise agreed in writing by the parties, title to Products shall pass upon transfer of the risk to SAATI, as per agreed Incoterm.

**4. Inspections and Acceptance**

- 4.1 The quality and quantity of the Products shall be in accordance with the Contract and any other specifications agreed in writing with SAATI. Acceptance of the Products is subject to the verification by SAATI of their compliance with such quantity and quality requirements.
- 4.2 SAATI shall use its best efforts to notify Supplier of any quantity claim within 45 calendar days as of the relevant discovery, provided that any delay will not prejudice SAATI's rights hereunder. Supplier shall promptly remediate any quantity shortfall and indemnify SAATI for any damages.

**5. Quality Warranty – Warranty Claims**

- 5.1 The Supplier warrants that the Products shall be safe, free from defects in material, design and workmanship, suitable for the intended use and compliant with any specifications, samples and design provided by SAATI for a period of 36 months as of the relevant delivery, unless otherwise agreed in writing by SAATI.
- 5.2 Supplier shall notify in writing to SAATI any changes to the Products (in materials, performance, warranty, or manufacturing processes): approval must be received from SAATI before any such changes can be implemented.
- 5.3 SAATI shall use its best efforts to notify Supplier of any quality claim within 45 calendar days as of the relevant discovery, provided that any delay will not prejudice SAATI's rights hereunder. Supplier shall be entitled to inspect the defective Products at its cost.
- 5.4 In case of breach of warranty as per section 5.1 above, SAATI shall be entitled, at its discretion, to request for replacement or repair of relevant Products (such repair or replacement occurring within 30 calendar days of SAATI notifying Supplier and pursuant to delivery terms herein), to terminate the Contract and/or to procure the same Products on the market at Supplier's costs, without prejudice to indemnification rights as per following section 6, or to any other rights or remedies available at Contract and law.
- 5.5 Supplier agrees that the above warranties i) survive inspection by SAATI; ii) are for the benefit of SAATI and its successors, assigns, customers and users of its products/services; and iii) are in addition to any warranties and remedies to which SAATI may otherwise agree or which are provided by law. Supplier agrees to extend to SAATI's customers and SAATI (and to enforce) any warranties received from Supplier's suppliers.

**6. Indemnification**

- 6.1 Supplier shall defend, indemnify and hold SAATI and its customers harmless from and against any claims, damages, liabilities, direct and indirect losses (including without limitation claims for infringement of intellectual property, 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 failure by Supplier to comply with any term, covenant, representation, certification, or warranty contained in the Contract or at law, or from any act or omission of Supplier or Supplier's agents, employees or subcontractors. This indemnity shall survive the expiration or earlier termination of the Contract and is without prejudice to any other claims or rights that SAATI may have, whether under these General Conditions, at law or otherwise.

## **7. Prices, Payment and Invoicing Terms**

- 7.1 Prices, payment and invoicing terms are, subject to these General Conditions, as agreed in the Contract.
- 7.2 Unless otherwise agreed in writing by SAATI, prices are intended in CNY, inclusive of freight, customs duties and other possible costs and are fixed, therefore not subject to any increase, updates or amendments.
- 7.3 SAATI may deduct any amounts owed to SAATI by Supplier or any of Supplier's affiliates on any basis whatsoever under any contract from the amount owed to Supplier. SAATI may set-off such amounts owed to SAATI by right, regardless of whether the legal requirements for set-off have been met or not.

## **8. Termination**

- 8.1 SAATI shall be entitled to terminate the Contract in the event of breach of any of its provisions by Supplier, if such breach is not remedied by Supplier 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 Supplier with immediate effect, by written notice in the event of any of the following:
- Supplier's breach of its warranty obligation in section 5 above;
  - Supplier's filing or entering into any voluntary liquidation or insolvency proceeding;
- without prejudice to any other rights or remedies under the Contract or available at law.

## **9. Compliance with Laws, Code of Conduct**

- 9.1 Supplier agrees to comply with all laws and regulations applicable to its obligations hereunder, and as amended from time to time, including import/export laws, safety and labeling laws, labor laws and anticorruption laws.
- 9.2 Supplier must ensure that the materials and minerals it sources are produced or mined in an environmentally responsible manner, in safe working conditions where work is chosen freely, in accordance with local, national and international laws, including the conflict minerals regulation, making available the evidence of the responsible sourcing measures they have taken, on SAATI's request.
- 9.3 Supplier acknowledges of having read the Code of Conduct of SAATI as available on SAATI S.p.A.'s website and agrees to i) comply with the principles and requirements detailed in it, ii) inform Supplier's employees, subcontractors and suppliers about SAATI's Code of Conduct content and ensure incorporation of the Code of Conduct with all tiers of Supplier's supply chain, requiring their compliance with the provisions incorporated therein, iii) provide, upon SAATI's request, all information requested by SAATI to verify compliance with SAATI's Code of Conduct, iv) allow SAATI, its customers along the relevant supply chain, or any representatives on their behalf, to conduct audits at Supplier's premises and its subcontractor's premises at any time, to verify compliance with SAATI's Code of Conduct, and v) promptly report any case of violation of the Code of Conduct to SAATI.

## **10. Miscellaneous**

- 10.1 Supplier may not assign or transfer the Contract, in whole or in part, nor any rights and obligation thereunder, to any third party, unless otherwise agreed in writing by SAATI.
- 10.2 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.
- 10.3 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.
- 10.4 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. Supplier shall indemnify, defend, and hold SAATI harmless from and against any and all claims by Supplier's employees, contractors, or subcontractors regarding entitlement to any compensation or benefits from SAATI or that SAATI is for any purpose its employer or co-employer, including but not limited to any claim for taxes or related penalties.
- 10.5 Supplier agrees to keep confidential any materials or information furnished by SAATI to Supplier. Supplier will not disclose or use, directly or indirectly, such materials and information for any purpose other than the purposes of performing the Contract. Supplier will return to SAATI, at Supplier's expense, all such materials and information upon completion of work, termination of the Contract or SAATI request.
- 10.6 Supplier may not, without prior written consent from SAATI, issue any press release or announcement, advertise or publish the fact that SAATI has contracted to purchase Products from Supplier, disclose information relating to the Contract, or use SAATI name or trademarks, or the names or trademarks of any of its affiliates, related companies, or customers.

## **11. Governing Law and Jurisdiction**

- 11.1 The Contract shall be governed by and construed in accordance with the Chinese laws, 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.
- 11.2 Any dispute between the parties arising out of or in connection with the Contract (including on contractual or non-contractual matters), shall be submitted to the exclusive jurisdiction of the Courts of Wuxi, excluding any other jurisdiction or arbitration.