



**SUPPLEMENTAL CLAUSES TO  
PURCHASE ORDER TERMS AND CONDITIONS**

The parties agree that clauses contained in these supplemental clauses (the "**Supplemental Clauses**") shall amend the Purchase Order Terms and Conditions (the "**Order**"). If there is any difference between the Order and the Supplemental Clauses, the Supplemental Clauses shall prevail.

Unless otherwise defined hereof, the terms used in these Supplemental Clauses shall have the same meaning with the terms defined in the Order.

**1. Reference to U.S. Dollar**

For the purposes of the Order where both the Buyer and the Seller are located in the People's Republic of China, all the references to any amounts denominated in USD shall be refer to their RMB equivalent.

**2. Amendment to Clause 3 (Customer Requirements)**

For the purposes of paragraph (d) of Clause 3, if Customer fails to pay Seller any amount as assigned by the Buyer within a reasonable time, Seller may claim such unpaid amount from Buyer, subject to the time limits set forth in Clause 34.

**3. Amendment to Clause 7 (Transportation Charges, Customs Duties and Taxes)**

For the purposes of paragraph (b) of Clause 7, the references to taxes shall include without limitation value-added tax and business tax levied under the laws of People's Republic of China.

**4. Amendment to Clause 8 (Customs Drawback Documents and Export Controls)**

Clause 8 of the Order shall not apply to the Order where both the Buyer and the Seller are located in the People's Republic of China.

**5. Amendment to Clause 10 (Payment)**

For the purposes of any payment under Paragraphs (a) and (b) of Clause 10, the Seller must furnish the Buyer with the relevant official receipts, including but not limited to those relating to value added tax or business tax.

**6. Amendment to Clause 17 (Materials, Equipment, Tools and Facilities)**

For the purposes of Paragraph (b) of Clause 17, the Buyer's Property, while in Seller's custody or control and while in the custody or control of Seller's suppliers, contractors or agents, shall be marked and adequately identified as the Buyer's Property.

At the Buyer's request, the Seller shall agree to enter into a separate bailment agreement which shall serve as supplemental to the Order.

#### **7. Amendment to Clause 18 (Intellectual Property)**

For the purposes of Paragraph (b) of Clause 18, the effectiveness of any License shall be subject to completion of any approval or registration procedures and formalities required by all applicable Laws.

11 USC Section 365(n) does not apply to the Order where both the Buyer and the Seller are located in the People's Republic of China.

At Buyer's request, Seller shall agree to enter into a separate license agreement for Seller's Intellectual Property.

#### **8. Amendment to Clause 21(Compliance with Laws)**

Item (e) provided as follows shall be added into the Clause 21:

The Seller undertakes that, (i) In the event that the Goods or Services it provides under the Order use or contain any new chemical substances which are required to be notified or registered in accordance with the effective Measures for Environmental Management of New Chemical Substances issued by Chinese government, the Seller shall serve an notice to the Buyer indicating the relevant information on the new chemical substances that are used or contained in the Goods or Services it provides; in addition, the Seller shall, at its own costs, notify or register with relevant authorities in accordance with relevant laws and regulations and provide the Buyer with related notification proof or registration certificate. Provided that such notification or registration can only be made by the Buyer under the laws of People's Republic of China, the Seller shall be responsible for providing relevant materials as required by such notification or registration and assisting the Buyer in handling the procedures. The fees and costs incurred for such notification and registration shall be borne by the Seller. (ii) In the event that the Goods the Seller provides under the Order use or contain any products which shall get the national Compulsory Certification in accordance with the Provisions on the Administration of Compulsory Product Certification and other relevant regulations, the Seller shall at its own costs get such Certification, and use such Certification mark on relevant products. Provided that such Certification can only be made by the Buyer under the laws of People's Republic of China, the Seller shall be responsible for providing relevant materials as required by such Certification and assisting the Buyer in handling the procedures. The fees and costs incurred for such Certification shall be borne by the Seller. (iii) If the Seller is subject to certain specific requirements on security and environmental management under national laws and regulations, including but not limited to the Seller is engaged in the manufacture, transportation, discard or disposal of the hazardous chemicals, or use the hazardous chemicals as raw materials, the Seller shall observe such specific requirements, especially the provisions under Regulation on the Safety Management of Hazardous Chemicals and etc., and the Seller shall provide the Buyer the corresponding hazardous chemicals and its package and containers' production license (including the corresponding chemical safety technical specification, chemical safety labels), specific production license, verification certificate, hazardous chemicals transportation enterprise qualification certificate and other related documents, the Seller shall guarantee the validity of such certificates and documents. The Seller shall bear the related liabilities and hold the Buyer harmless from any loss, damage and liabilities in case it fails to perform its obligations hereunder.

Besides, item (f) provided as follows shall be added into the Clause 21:

The Goods or Services provided by the Seller under this Order shall comply with applicable Law or standards of the country of destination of the Buyer's products or which relate to the manufacture, labeling, transportation, importation, licensing, approval or certification of the Goods, including those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety, motor vehicle safety and any trade agreements. Upon the Buyer's request, the Seller shall provide relevant written documents to the Buyer. In the event that the

Goods under the Order which are required to be declared, registered or certified in accordance with any applicable laws, including but not limited to the declaration, registration or certification under European Union's Regulation Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Directive ELV, Directive ROHS, Directive relating to restrictions on the marketing and use of certain dangerous substances and preparations (DIRECTIVE 76/769/EEC), Directive relating to the classification, packaging and labelling of dangerous substances (DIRECTIVE 67/548/EEC), the Seller shall guarantee that the Goods and its raw materials, production process, packaging and transportation package under the Order satisfy such requirements, and the Seller shall at its own costs get such declaration, registration or certification. Provided that such declaration, registration or certification can only be made by the Buyer under the applicable laws, the Seller shall be responsible for providing relevant materials as required by such declaration, registration or certification and assisting the Buyer in handling the procedures. The fees and costs incurred for such declaration, registration or certification shall be borne by the Seller. Notwithstanding the foregoing, in case that the Goods or Services provided by the Seller to the Buyer under this Order contain any Substances of Very High Concern (SVHC) released by European Chemicals Agency (ECHA) from time to time, the Seller shall initially provide relevant Safety Data Sheets to the Buyer without the Buyer's request.

**9. Amendment to Clause 26 (Termination upon Insolvency, Bankruptcy, etc.)**

For the purposes of Paragraph (a) of Clause 26, an Insolvency Event may also occur when (i) any party is in the procedure of liquidation or (ii) a liquidation committee is appointed in respect of any party.

**10. Amendment to Clause 34 (Remedies)**

Any proceedings or actions initiated by Seller under paragraph (c) of Clause 34 shall be commenced within two (2) years from the date of the breach, act or omission (as appropriate) giving rise to Seller's claim.

**11. Governing Law and Jurisdiction**

- (a) For the purposes of the Order where both the Buyer and the Seller are located in the People's Republic of China, the Order shall be interpreted and enforced in accordance with the local, domestic laws of the People's Republic of China. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Order.
- (b) For the purposes of the Order where both the Buyer and the Seller is located in the People's Republic of China, if there is any claims, controversies or disputes arising from the Order, it shall be submitted to China International Economic and Trade Arbitration Commission ("CIETAC"), for arbitration pursuant the arbitration rules in effect then. The arbitration shall be conducted in Shanghai. The arbitral award shall be final, enforceable and binding upon the parties.