

GENERAL TERMS AND CONDITIONS OF PURCHASE OF NORMA CHINA Co., LTD.

1. SCOPE AND DEFINITIONS

1.1 Definitions

- (a) "**Affiliate**" means with respect to any person ("**First-Named Person**"), any other person which, directly or indirectly, Controls, is Controlled by, or is under common Control with such First-Named Person.
- (b) "**Applicable Law**" is defined in Clause 16.1.
- (c) "**CIETAC**" is defined in Clause 16.2.
- (d) "**Confidential Information**" is defined in Clause 13.1.
- (e) "**Control**" or its cognate terms means, in relation to any Person, acquiring (or an agreement to acquire or options over):
 - (i) direct or indirect control over the affairs of that Person; or
 - (ii) more than 50 per cent (50%) of the total voting rights conferred by all the issued shares or equity interests in the capital of that Person; or
 - (iii) the right to determine the composition of the majority of the members of the main board of directors or any management committee or similar body of that Person; or
 - (iv) the right to otherwise direct the management of that Person.
- (f) "**Indemnified Parties**" is defined in Clause 13.7.
- (g) "**NORMA**" is defined in Clause 1.2.
- (h) "**Person**" includes an individual, corporation, enterprise, partnership, concern, association, trust or other entity or organization (whether or not having separate legal personality).
- (i) "**PRC**" or "**China**" means the People's Republic of China.
- (j) "**Products**" is defined in Clause 1.2.
- (k) "**Purchase Terms**" means these General Terms and Conditions of Purchase.
- (l) "**Reserved Products**" is defined in Clause 5.9.
- (m) "**Supplier**" is defined in Clause 1.2.

1.2 For the delivery of products and the performance of related works or services (the "**Products**") by the supplier (the "**Supplier**") to **NORMA CHINA Co., LTD.** ("**NORMA**"), these Purchase Terms shall apply exclusively.

1.3 Other provisions, in particular the Supplier's general terms and conditions, shall not apply, irrespective of whether or not such general terms and conditions have been expressly rejected by NORMA. The Purchase Terms shall also apply exclusively if NORMA, having knowledge of other general terms and conditions, effects contractual performance without reservation.

- 1.4 Any additional or special agreements between NORMA and the Supplier require written form in order to be effective. This also applies to the cancellation of this written form requirement.

2. **PURCHASE ORDERS**

- 2.1 Purchase orders of NORMA are valid only if made in writing, text form (including fax and e-mail) or through electronic data interchange (EDI) by authorised representatives of NORMA.
- 2.2 Purchase orders of NORMA are to be accepted by the Supplier within one week. Thereafter, NORMA shall no longer be bound by the respective purchase order. As of the second delivery the respective purchase order shall be deemed accepted if the Supplier does not accept such purchase order within one week.
- 2.3 Changes or amendments to a purchase order require NORMA's express confirmation in order to be effective. The confirmation is subject to the requirements of Clause 2.1. NORMA may request the Supplier to accept reasonable changes in construction or processing of the Products.
- 2.4 Unless otherwise agreed in writing, no remuneration or reimbursement of costs shall be paid for visits or the drawing-up of cost estimates, project studies or other documents preparatory to the conclusion of a contract.

3. **SPECIFICATIONS OF PRODUCTS AND COMPLIANCE WITH REGULATIONS**

- 3.1 The Supplier warrants that the Products shall comply with the specifications (e.g. drawings for production material and technical specifications for tools and equipment), shall be state-of-the-art and fulfil the indicated functions and purposes, and shall comply with the regulations of the German industrial insurance companies, professional organisations and specialised associations.
- 3.2 The Supplier shall remain competitive with other suppliers in terms of price, technology, quality or other material terms of supply.
- 3.3 The Supplier warrants that the Products comply with Applicable Law, in particular with all regulatory requirements under applicable product safety, environmental and export control laws. The Supplier further warrants to comply with all applicable anti-corruption laws and shall observe the "NORMA-Group Anti-Corruption and Anti-Money-Laundering Contractual Provisions" (available on www.normagroup.com), as amended from time to time by NORMA.
- 3.4 The Supplier warrants that the Products are free from defects in title, and notably free from patent rights, copyrights and other intellectual property rights of third parties in the PRC, the member states of the European Union and in the agreed country of destination, and that no patents, copyrights or other intellectual property rights of third parties are infringed, notably by the delivery and the use of the Products. The Supplier shall review and inform NORMA in writing of third party as well as its own patent rights, copyrights and other intellectual property rights.
- 3.5 The Supplier shall observe the "Logistics Quality Requirements for Deliveries of Suppliers to the NORMA-Group" (available on www.normagroup.com), as amended from time to time by NORMA.

4. **QUALITY AND DOCUMENTATION**

- 4.1 The Supplier shall ensure that for the Products only qualified personnel is used.

- 4.2 The Supplier shall ensure that defective Products, as well as other malfunctions or malpractices within the processes of the ordered Products, will be immediately, latest 48 hours after occurred, announced in writing to NORMA. This applies especially for already delivered Products to enable NORMA to take immediate measures or action.
- 4.3 Any changes concerning the specified ordered Products or the related processes are subject to NORMA's prior written approval.
- 4.4 The Supplier shall constantly examine and monitor the quality and specification of the Products. Further the Supplier shall keep corresponding records of the test results available for NORMA.
- 4.5 The Supplier shall ensure, with respect to an audit, that NORMA (as well as customers of NORMA and any authorities) has access to all facilities and documents concerning the placed purchase order.
- 4.6 The Supplier shall archive documents to be filed for ten years and shall secure these documents against unauthorized access and protect against deterioration.

5. DELIVERY, DELIVERY DATES AND RETENTION OF TITLE

- 5.1 Unless otherwise agreed in writing, deliveries of the Products shall be made DDP Incoterms® 2010 to the place of delivery specified by NORMA in the purchase order.
- 5.2 Shipment shall be made at the Supplier's risk. The Supplier shall bear the risk of loss, damage or destruction of the Products up to the time of delivery. This shall also apply if the shipment is made at the request of NORMA. For deliveries including installation or assembly or in the case of other works or services to be performed by the Supplier in relation to the delivery of the Products, the Supplier shall bear the risk up to the time of acceptance of the works or services by NORMA.
- 5.3 In all transit documents, consignment notes or other delivery documents, invoices and any other correspondence the complete purchase order numbers and any other agreed information shall be stated.
- 5.4 Agreed delivery periods and dates are binding. The date of receipt of the Products at the place of delivery specified by NORMA shall be relevant for adherence to the delivery periods and dates by the Supplier. For deliveries including installation or assembly or in the case of other works or services to be performed by the Supplier in relation to the delivery of Products, the time of acceptance of the works or services by NORMA shall be relevant.
- 5.5 If circumstances become known to the Supplier as a result of which the delivery periods or dates cannot be adhered to, the Supplier shall inform NORMA thereof without undue delay in writing, stating the reasons and the probable duration of the delay. This shall not affect the agreed delivery periods and dates. In the case of a supply shortfall or any other shortage on the part of the Supplier, the Supplier shall use its best efforts to preferentially fulfil its supply obligations towards NORMA (e.g. privileged allocation to NORMA).
- 5.6 In the case of a late delivery the Supplier shall pay to NORMA liquidated damages in the amount of 1% of the delivery value for each completed week past the agreed delivery date until the actual day of delivery, but the accumulation of such damages for a delayed delivery shall not exceed a total of 5% of the delivery value for that delivery. The liquidated damages as described in this Clause 5.6 shall be without prejudice to NORMA's other rights and remedies under Applicable Law. The payment of liquidated

damages for late delivery shall not release the Supplier from its responsibility to complete delivery.

- 5.7 NORMA will not accept deliveries prior to the agreed delivery periods or dates unless otherwise agreed in writing and the Supplier agrees that such early deliveries may be detrimental to NORMA's interests, and any expenses incurred by NORMA due to the Supplier's early deliveries shall be borne by the Supplier. NORMA reserves the right to return the Products at the Supplier's expense and risk. If the Products are not returned, they shall be stored by NORMA up to the agreed delivery periods or dates at the Supplier's expense and risk; alternatively, NORMA may already accept deliveries, but the initially agreed terms of payment shall remain unaffected.
- 5.8 NORMA will accept part deliveries only if separately agreed in writing and the Supplier agrees that such part deliveries may be detrimental to NORMA's interests, and any expenses incurred by NORMA due to the Supplier's part deliveries shall be borne by the Supplier. In such case the Supplier shall indicate in the delivery documents the remaining portion still outstanding including the delivery periods or dates pertaining thereto.
- 5.9 NORMA will accept retention of title to Products ("**Reserved Products**") if requested by the Supplier, provided that such retention of title shall expire upon payment of the purchase price agreed for the individual Reserved Product, and further provided that NORMA shall be authorised by the Supplier to resell, process and rework the Reserved Products in the course of its ordinary business activities.

6. **PRICES AND TERMS OF PAYMENTS**

- 6.1 The agreed prices are fixed prices plus the value-added tax under Applicable Law, if applicable, to the extent the latter is stated separately in the invoice. The prices include delivery and packaging as well as all ancillary costs.
- 6.2 The Supplier shall send auditable invoices in duplicate to the invoice address indicated in the purchase order. Invoices shall not be issued prior to dispatch of the Products and shall not be sent together with the Products.
- 6.3 Invoices will be processed by NORMA only if NORMA's purchase order number is accurately quoted. Inaccurate or incomplete invoices shall be deemed not received until such time as they have been corrected or completed; in this case NORMA will inform the Supplier within a reasonable period.
- 6.4 Unless otherwise agreed in writing, payment shall be made within 14 days of duly delivery of the Products and receipt of the invoice with a discount of 3%. At NORMA's choice, payment shall alternatively be made within 90 days of duly delivery of the Products and receipt of the invoice. For deliveries including installation or assembly or in the case of other works or services to be performed by the Supplier in relation to the delivery of the Products, the payment periods shall not start before the time of acceptance of the works or services by NORMA.
- 6.5 The interest rate in the case of default of payment for remuneration claims shall be 0.02% of the invoice for each day past the agreed payment date until the actual day of payment of such claims.

7. **NOTIFICATION OF AND CLAIMS FOR DEFECTS**

- 7.1 The Supplier warrants that (i) the Products (other than services) conform to specifications for the Products delivered to NORMA pursuant to NORMA's order, (ii) that the Supplier will deliver good title to the Products and the Products shall be delivered free of liens and encumbrances and (iii) NORMA is free from any third party claim against it in respect of

the Products. Notices of deviations in quality and quantity shall be deemed to be on time if they are received by the Supplier within 14 days of NORMA's receipt of the Products, or, in case of hidden defects, upon the defects being discovered.

- 7.2 Unless otherwise stipulated in the Purchase Terms, NORMA may assert the claims for defects to the fullest extent permitted under Applicable Law.
- 7.3 The claims for defects under Applicable Laws may be asserted by NORMA also in respect of warranties given by the Supplier. Liability to pay damages shall be independent of fault in cases in which the Supplier has given a warranty. Any additional claims directly resulting from a warranty given by the Supplier shall remain unaffected.
- 7.4 In the case of serial defects (defects of the same type which occur in at least 5% of the Products delivered), NORMA may reject the entire delivery as defective and assert claims under Applicable Law for defects in respect of the entire delivery. NORMA reserves the right to reject the entire delivery for any other quality related reason.
- 7.5 The Supplier shall bear all costs of subsequent performance, notably the costs for transport, journeys, labour and material as well as dismounting and installing.
- 7.6 Should the Supplier fail to fulfil its obligation under Applicable Law to make subsequent performance within a reasonable period as set by NORMA, NORMA may, at the Supplier's expense, perform itself any acts reasonably required to rectify the defect or have such acts performed by a third party. NORMA may, by way of mitigation of damages, itself rectify at the Supplier's expense defects that are not of a material nature; and NORMA shall within a reasonable time inform the Supplier thereof.
- 7.7 The place of subsequent performance shall be the place where the defective Product is currently located in accordance with its usual or agreed function.
- 7.8 The statute of limitation period for claims for defects shall be two years from when NORMA becomes aware of the defect.
- 7.9 In the case of subsequent performance by way of replacement delivery, the warranty period shall commence anew from the time of replacement delivery, unless such replacement delivery appears insignificant in light of its volume, duration and costs, or unless NORMA had to assume that, in light of the Supplier's reaction, the Supplier did not consider being obliged to make subsequent performance but rather did so as a gesture of goodwill or for other similar reasons. The same shall apply in the case of rectification as far as the same defect or the consequences of a failed rectification are concerned.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1 The Supplier shall hold harmless, indemnify and defend NORMA as well as its Affiliates and customers against any third party claims asserted due to an infringement by the Products of patent rights, copyrights or other intellectual property rights. Further claims for defects shall not be affected thereby.
- 8.2 In the event that the Products infringe patent rights, copyrights or other intellectual property rights of third parties, the Supplier shall use its best efforts to place NORMA in a position to use the Products without infringing such intellectual property rights of third parties or to replace the Products with substitute products whichever shall be deemed appropriate by NORMA with no extra costs.
- 8.3 Intellectual property rights of NORMA shall remain the property of NORMA. No right or license, either express or implied, under any patent, trademark or copyright is granted to the Supplier under these Purchase Terms. Where the Products are customised to

NORMA in accordance with NORMA's intellectual property, none of such Products or documents manufactured by the Supplier in accordance with such intellectual property may be made available to third parties without NORMA's prior written approval. Rights of intellectual property that subsist in the customised Products, to the extent that they are made on the basis or by incorporation of any of NORMA's intellectual property, shall be vested in NORMA.

9. PRODUCT LIABILITY AND LIABILITY FOR REGULATORY REQUIREMENTS

9.1 In the case that claims are asserted against NORMA by third parties for infringement of official safety, environmental, export control or anti-corruption laws and regulations or other applicable regulatory requirements as well as national or foreign product liability laws, based on such defects in NORMA's products that are attributable to the Supplier's Products or based on other acts or omissions attributable to the Supplier, the Supplier shall hold harmless, indemnify and defend NORMA against any such claims to the extent that the damage arises out of or is in connection with the Products supplied by the Supplier. This obligation to indemnify and defend shall apply on first demand.

9.2 The Supplier shall reimburse NORMA for all expenses reasonably incurred for recall actions and other damage prevention actions by NORMA or its customers, e.g. public warnings, to the extent that such actions originate from the sphere of responsibility or the organisation of the Supplier. NORMA shall inform the Supplier of the type and scope of any such actions and give the Supplier the opportunity to comment thereon.

9.3 The Supplier shall take out and maintain adequate product liability insurance and insurance coverage for the costs of recall actions and other damage prevention actions. At NORMA's request copies of the insurance policies shall be submitted.

10. OBJECTS AND TOOLS OF NORMA

10.1 NORMA shall retain title in any objects made available by NORMA to the Supplier. The processing or reworking of such objects by the Supplier shall always be carried out for NORMA.

10.2 Any tools made available by NORMA to the Supplier shall remain the property of NORMA and shall be clearly marked as such by the Supplier. The Supplier shall use such tools exclusively for the manufacture of the Products ordered by NORMA. The Supplier shall provide sufficient insurance for such tools at their replacement value against loss, damage and destruction of such tools. Any incidents shall be notified by the Supplier to NORMA without undue delay in writing.

11. FORECASTS

11.1 Unless otherwise agreed in writing, NORMA may inform the Supplier on a regular basis of the updated expected supply requirements for the Products for the following months. Such forecast shall be binding purchase orders for the Products only to the extent designated by NORMA.

11.2 NORMA may place additional short-term purchase orders if further Products are needed in addition to the quantities set out in the forecast. The Supplier shall always use its best efforts to meet the supply requirements of NORMA.

11.3 Clauses 2.1 and 2.2 shall apply to such purchase orders.

12. TERMINATION OF CONTRACT

12.1 NORMA may terminate any contract with immediate effect if:

- (a) the Supplier becomes insolvent, an application to initiate insolvency proceedings against the Supplier has been filed, any such application has been rejected due to lack of assets, any executions against the Supplier have been fruitless or any execution measures have been initiated against the Supplier which have not been cancelled within one month (e.g. cancellation of seizure);
- (b) the Supplier has breached applicable anti-corruption laws or has failed to comply with the current "NORMA-Group Anti-Corruption and Anti-Money-Laundering Contractual Provisions";
- (c) the Supplier is in default in delivery, but only after fruitless expiry of an additional period for delivery as set by NORMA if required;
- (d) the Supplier is not competitive with other suppliers in terms of price, technology, quality or other material terms of supply; or
- (e) an event occurs which alters the equilibrium of the contract either because the cost of NORMA's performance has increased or because the value of the performance NORMA receives has diminished, provided that such event is beyond NORMA's reasonable control and could not reasonably have been foreseen by NORMA at the time of the conclusion of the contract.

12.2 Termination notices have to be in writing.

13. **CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS**

13.1 The Supplier shall keep secret all documents, information and data (including, without limitation, drawings, plans, specifications, technical data, samples, processes as well as prices and other contractual terms agreed with the Supplier) which NORMA or its Affiliate orally or in writing marks or designates as or presumes to be 'confidential' and which are made available or known to the Supplier on the basis of the co-operation ("**Confidential Information**"). The Supplier shall, at a minimum, treat Confidential Information in the same way as its own confidential information.

13.2 Any disclosure of Confidential Information to a third party requires NORMA's prior written approval. Disclosure of Confidential Information to the Supplier's employees and agents is permitted only to the extent that disclosure is required for the performance of the Supplier's contractual obligations in relation to NORMA. The Supplier shall impose the same confidentiality obligations on all persons or companies entrusted by the Supplier with Confidential Information.

13.3 The confidentiality obligations shall not apply for information

- (a) which had been known to the Supplier prior to receipt of the same from NORMA;
- (b) which was independently developed by the Supplier without reference to or use of NORMA's information;
- (c) which the Supplier lawfully obtained from a third party who, to the Supplier's knowledge, was not subject to a confidentiality undertaking vis-à-vis NORMA;
- (d) which became known to the Supplier without violation of these provisions or any other regulations on the protection of NORMA's business secrets or which are or were publicly known; or
- (e) which the Supplier is obligated to disclose based on statutory, official or judicial requirements or Applicable Law, in which case the Supplier shall inform NORMA

prior to such disclosure and shall restrict as far as possible the extent of such disclosure.

- 13.4 Confidential Information shall remain the property of NORMA and may neither be copied, reproduced nor used for any purpose other than that specified by NORMA at the time of disclosure without NORMA's prior written approval unless required for the performance of the Supplier's contractual obligations in relation to NORMA. At NORMA's request Confidential Information shall be returned to NORMA or destroyed.
- 13.5 Where the Products are customised to NORMA in accordance with Confidential Information, none of such Products or documents manufactured by the Supplier in accordance with such Confidential Information may be made available to third parties without NORMA's prior written approval. Rights of intellectual property, including but not limited to inventions, improvements and copyrightable works, created, conceived or reduced to practice by Supplier or its employees or agents using any Confidential Information shall be vested in NORMA.
- 13.6 The Supplier may not make public announcements on or otherwise publicly refer to the contractual relationship without NORMA's prior written approval.
- 13.7 The Supplier warrants and represents that none of the information that it or its Affiliates have provided to NORMA, its Affiliates, or their employees, directors, officers, agents, representatives, advisors or contracting parties (collectively, "**Indemnified Parties**") is deemed a state secret in the PRC. The Supplier shall undertake not to provide, and cause its Affiliates not to provide, any information that is deemed (at the time of providing such information) a state secret to any of the Indemnified Parties, unless the proper approval from the relevant PRC authorities is obtained to provide such state secrets. In the event that the Supplier or its Affiliate provides state secrets to any of the Indemnified Parties without the approval from the relevant PRC authorities, the Supplier shall immediately notify NORMA and the relevant PRC authorities of such default, indemnify all Indemnified Parties of any harm or losses suffered as a result of such default, and shall take all corrective actions required by NORMA and the relevant PRC authorities.
- 13.8 The foregoing obligations shall survive the expiration or termination of the contractual relationship.

14. **SET-OFF AND RIGHT OF RETENTION**

The Supplier shall not have a right of set off for payments unless such rights of set off have been agreed to by NORMA or, if contested by NORMA, upheld by the relevant arbitral body in its final arbitral decision. The Supplier shall not have the right to refuse performance of its obligations to NORMA due to NORMA's failure to perform, or NORMA's under-performance of any obligations, provided that performance of NORMA's obligations are not a precondition to the Supplier's performance of its obligations.

15. **ASSIGNMENT AND SUBCONTRACTING**

- 15.1 Without NORMA's prior written approval, the Supplier shall not assign its rights and obligations under the contractual relationship, neither in part nor in whole. NORMA may assign its rights and obligations to its Affiliates and the Supplier hereby agrees to such assignment.
- 15.2 Without NORMA's prior written approval, the Supplier shall not subcontract the performance of any deliveries, works or services to be delivered to NORMA. Irrespective of such approval by NORMA, the Supplier shall remain responsible and be liable for the performance of any subcontractor.

16. **GOVERNING LAW AND PLACE OF JURISDICTION**

- 16.1 These Purchase Terms shall be governed by the laws of the PRC (the "**Applicable Law**") to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 16.2 Any dispute arising in connection with this Purchase Terms shall be settled first through friendly consultations between the parties. If within thirty (30) days following the date on which such notice to request consultation is given, the dispute cannot be settled through consultations, either party may submit the dispute to arbitration in accordance with this Clause 16. The parties agree that arbitration shall be conducted in Shanghai before the China International Economic and Trade Arbitration Commission ("**CIETAC**"), Beijing Commission in accordance with CIETAC Arbitration Rules then in force, and as amended by this Clause 16.
- 16.3 The arbitration tribunal shall be made up of one arbitrator to be selected by the Chairman of CIETAC. The sole arbitrator shall not be a PRC or German national, and shall be proficient in the English language and experienced in cross border disputes.
- 16.4 The arbitration proceedings shall be conducted in the English language.
- 16.5 The arbitration award shall be final and binding on the parties, and the parties agree to be bound thereby and to act accordingly. Judgment upon any arbitral award may be entered in any court having jurisdiction over the party or parties against which the award has been rendered, or application may be made to any such court for judicial acceptance of the award and an order of enforcement, as the case may be. Each party expressly waives all rights to object thereto, including any defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state.
- 16.6 All costs of arbitration (including but not limited to arbitration fees, costs of arbitrators and legal fees and disbursements) shall be borne by the losing party, unless otherwise determined by the arbitration tribunal.
- 16.7 When any dispute occurs and is the subject of friendly consultations or arbitration, the parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under these Purchase Terms, except in respect of those matters under dispute.

17. **SEVERABILITY**

If any of the provisions of these Purchase Terms is held to be invalid or unenforceable by Applicable Law, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in these Purchase Terms but without invalidating the remaining provisions.