

GENERAL TERMS & CONDITIONS FOR VENDORS

1. Definitions

- 1.1 Hesiman (Xiamen) Industry Equipment Co., Ltd. is hereinafter referred to as the "Buyer" which expression shall include its successors in title.
- 1.2 The person or entity which accepts the Purchase Order of the Buyer for the Product (as defined in clause 1.4 below) is hereinafter referred to as the "Vendor" whether or not expressly referred to in other documents of sales, purchase invoices or delivery notes issued by the Vendor or the Buyer.
- 1.3 "Contract" means the agreement made between the Vendor and the Buyer and referred to in clause 2.1 herein, for the purchase of the Product comprising the terms set out in the Buyer's Purchase Order and the Terms and Conditions herein.
- 1.4 "Product" shall include any goods, equipment, machine, or part thereof and any attachments or fittings or replacements or any other things sold under this Contract.
- 1.5 "Service" shall include any repair, refurbish and/or modification sold under this contract
- 1.6 "Rules and Regulations" means any written laws, legislation, regulation, by-law, or other similar instrument, including any amendment thereto or re-enactment or replacement thereof.
- 1.7 "Terms & Conditions" means these General Terms & Conditions of Sales.
- 1.8 "Working days" means Monday to Friday except public holidays.

2. Binding Contract

- 2.1 The signed offer by the Vendor or the acceptance of the Purchase Order via electronic mail, facsimile or any other modes of communication for the sale of the Product/Service shall be construed and deemed as an express acceptance of these Terms and Conditions and together shall be known as the "Contract" and in so far as any provision of the Vendor's documents be inconsistent therewith, these Terms and Conditions shall be deemed to prevail. These Terms and Conditions likewise apply to all future transactions with the Vendor regarding the products listed in the Buyer's Purchase Order and accepted by the Vendor and shall always prevail over any differing or additional terms and conditions proposed or included by the Vendor and not contained in the Contract including, without limitation, those contained in Vendor's Offer, invoice, or any other documents.
- 2.2 Any variations or purported variations of these Terms and Conditions shall be deemed to be of no effect unless agreed in writing in a supplemental contract and signed by an Authorised Manager or Director of the Buyer. The remaining terms of the Contract, except as specifically amended therein, shall remain in full force and effect.
- 2.3 If any provision of the Contract is or becomes invalid due to governmental law, regulation, order or action, the Vendor and the Buyer shall forthwith try to find a mutually acceptable replacement for the provision thus invalidated. If no mutual agreement can be reached, the Buyer shall have the option to either accept the invalidation thereof and keep the remaining terms of the Contract in force or be entitled to terminate the Contract by written notice to the Vendor.

3. Price

- 3.1 The Buyer shall pay the price for the Product as stated in the Purchase Order unless otherwise agreed in writing by the Buyer.
- 3.2 The Purchase Price includes the transportation cost, living expenses and other miscellaneous incurred by the Vendor, its employees, or agents in connection with the delivery and installation of the Product.

4. Terms of Payment

- 4.1 The Vendor agrees to issue invoice to the Buyer no later than Seven (7) working days after delivery of the Product/Service. The Buyer will not be obligated to make payment towards any invoices submitted after such period.
- 4.2 The Buyer shall make payment towards the undisputed invoices within sixty (60) days from the date of receiving such invoices.
- 4.3 The Buyer reserves the rights, among other remedies, either to terminate the Contract or to suspend payment in the event that the Product supplied is not in accordance with the agreed specification and/or defective.

5. Set-Off

The Buyer may set off any amount owing at any time from the Vendor to the Buyer or any of its affiliates against any amount payable at any time by Buyer under these Terms and Conditions.

6. Termination for Cause

- 6.1 The Buyer may terminate the Contract and/or Purchase Order by giving thirty (30) days' written notice to the Vendor if the Vendor breaches any material terms of the Contract.
- 6.2 The Buyer may terminate the Contract and/or Purchase Order immediately without any prior notice (i) upon institution of insolvency, receivership, or bankruptcy proceedings against the Vendor, (ii) upon Vendor making an assignment for the benefit of its creditors, or (iii) upon Vendor's dissolution or cease of business operation.

7. Termination for Convenience

- 7.1 The Buyer may terminate the Contract and/or Purchase Order, or any part thereof, at any time for its own convenience by giving written notice of termination to the Vendor.
- 7.2 There shall be no charges for the termination of Purchase Order in respect of Product that has not been delivered to the Buyer.

8. Delivery Periods / Delivery Dates

- 8.1 The Vendor shall notify the Buyer in writing within two (2) business days of receipt of the Buyer's Purchase Order if the Vendor is unable to comply with the Purchase Order. In the absence of such written notice, it automatically constitutes an acceptance of the Purchase Order.
- 8.2 The Vendor shall deliver the Product in accordance with the schedule of the Purchase Order and any failure to deliver the Product on the due date of delivery shall constitute a material breach of the Contract.
- 8.3 The Buyer is entitled to reject and return any non-conforming shipments to the Vendor at the Vendor's own risk and expense.
- 8.4 The Vendor shall promptly notify the Buyer if the Vendor is unable to deliver the Product on the due date of delivery and shall state the reason thereof. The Buyer may in its sole discretion accept reschedule of delivery in whole or in part with any additional cost incurred to be borne by the Vendor.
- 8.5 The Vendor shall bear the risk of damage, loss and destruction of the Product in transit.

9. Inspection

- 9.1 All Products delivered to the Buyer is subject to the Buyer's inspection, testing, approval, and acceptance at Buyer's premises notwithstanding any inspection or testing at Vendor's premises or any prior payment for such Product.
- 9.2 If the Product fails to conform to the specifications or has any defects, the Buyer is entitled to either accept repair of the Product within seven (7) days from the date of notice to the Vendor or to reject and return the Product at the Vendor's own expense and cost.

10. Warranty

- 10.1 The Vendor makes the following warranties in respect of the Product supplied and such warranties shall survive any delivery, inspection, acceptance, payment, and resale of the Product:-
 - (a) the Product will not infringe any party's intellectual property rights;
 - (b) the Vendor has the necessary right, title, and interest to provide the Product to the Buyer, and the Product will be free from liens and encumbrances;
 - (c) the Product is new, and of the grade and quality specified;
 - (d) the Product is free from defects in workmanship and material, conform to all samples, drawings, descriptions, and specifications furnished or published by the Vendor and to any other agreed specifications;
 - (e) the Product shall conform to the manufacturing quality provisions set forth in the Purchase Order; and
 - (f) the Product shall meet the performance standards provided in the Purchase Order.
- 10.2 If the Vendor breaches any of the warranties, or the Product is otherwise defective or non-conforming, the Vendor shall, at the option of the Buyer, to promptly repair, replace, or refund the amount paid for such Product.
- 10.3 The Vendor shall bear the cost of shipping and shall bear the risk of loss of all defective or non-conforming Product while in transit.

11. Property of Document

Any specifications, drawings, schematics, technical information, data, tools, test equipment, and other materials furnished or paid for by the Buyer shall: (i) be kept confidential; (ii) remain or become the Buyer's property; (iii) be used by the Vendor exclusively for the Buyer's orders; (iv) be clearly marked as the Buyer's property and segregated when not in use; (v) be kept in good working condition at the Vendor's expense; and (vi) be shipped to the Buyer promptly on demand.

12. Intellectual Property Indemnifications

- 12.1 The Vendor shall indemnify and hold the Buyer and its customers harmless from any costs, expenses (including attorneys' fees), losses, damages, or liabilities incurred because of actual or alleged infringement of any patent, copyright, trade secret, trademark, or other intellectual property right arising out of the use or sale of the Product by the Buyer or the Buyer's customers, irrespective of whether the Buyer furnishes any specifications to the Vendor. The Buyer shall notify the Vendor of such claim or demand and shall permit the Vendor to participate in the defence or settlement thereof.
- 12.2 If an injunctive relief is obtained as a result of any claim or action, the Vendor agrees at its own expense and at the option of the Buyer to either: (i) procure for the Buyer and the Buyer's customers the right to continue to use the Product; (ii) replace them with non-infringing items; (iii) modify them so they become non-infringing; or (iv) refund to the Buyer the amount paid for the Product which has been returned to the Vendor or destroyed. Regardless of which of the foregoing remedies is effected, the Vendor shall pay to the Buyer rework expenses and incremental costs incurred by the Buyer to procure alternative products required to fill the orders placed by the Buyer and accepted by the Vendor as of the effective date of the injunction.

13. Insurance

- 13.1 The Vendor shall obtain, and thereafter maintain at all times, the following insurance coverage:-
 - (a) Worker's compensation insurance as required under the local applicable laws;
 - (b) Product and Public Liability insurance with a minimum insured amount of CNY 2,000,000 for bodily injury, death and damage to property.
- 13.2 The Vendor shall deliver the insurance certificates to the Buyer prior to the commencement of the Contract.
- 13.3 The Vendor shall notify the Buyer for termination of, or material change to, the insurance policies.

14. Indemnifications

The Vendor shall fully defend, indemnify, hold harmless and reimburse the Buyer, its employees, agents, customers from all claims, suits, actions, proceedings, damages, losses and expenses, including attorneys' fees, arising out of, related to, or resulting from:

- (a) any breach of any representation, warranty, certification, covenant or agreement made by the Vendor in these Terms and Conditions;
- (b) any omission, negligence or wilful misconduct of the Vendor or its agents or subcontractors in connection with its performance under these Terms and Conditions;
- (c) any litigation, proceeding or claim by any third party relating to the obligations of the Vendor under these Terms and Conditions; and
- (d) any personal injury (including death) or any damage to or loss or destruction of property attributable to the breach of any terms by the Vendor under these Terms and Conditions, except to the extent of such damages are caused by the negligence of the Buyer.

15. Limitation of Liability

In no event shall the Buyer be liable in contract, tort (including negligence and strict liability) or otherwise for any special, indirect, incidental, or consequential (including loss of profit or revenue) damages whatsoever arising under this Contract. The Buyer's entire liability in respect of the purchase of Product and/or Service employed under the Contract shall in any case be limited to the total value of the Contract in respect of which damages are claimed

16. Force Majeure

The Buyer shall not be liable to the Vendor in respect of its failure to carry out any of its obligations under these terms and conditions if the Vendor is prevented from or delayed in the carrying on of its business due to circumstances beyond the Buyer's reasonable control or by events of force majeure. Events of such force majeure shall include but not limited to acts of God, war, riot, fire, explosion, accident, flood sabotage, pandemic, lockdowns as ordered by authorities or government, inability to obtain fuel, power, raw material, labour, containers or transportation facilities, breakage or failure of machinery or apparatus, governmental law, regulation, order or action, national defence requirements or any other event beyond the reasonable control of Vendor or in the event of labour disputes, strike, lockouts and injunction. The Buyer shall promptly notify the Vendor in writing for the occurrence of the event of force majeure.

17. Access and Audit

The Vendor shall permit the Buyer access to (i) all locations where work is performed in connection with the Products supplied and (ii) the Vendor's books and records relating to the Products provided pursuant to these Terms and Conditions.

18. Assignment

The Vendor shall not assign or subcontract its obligations under this Contract and Purchase Order or any portion thereof (by operation of law or otherwise) without the prior written consent of the Buyer, and if the Vendor does so, the assignment and subcontract shall be null and void. Notwithstanding any such assignment or subcontract, the Vendor shall remain jointly and severally liable for any breach of these Terms and Conditions by any such assignee or subcontractor.

19. Entire Agreement

- 19.1 The entire agreement between the parties with respect to the sales of the Product and its delivery is contained in this Contract and all previous understandings, agreements, representations or warranties, expressed or implied which are not expressly contained in the Contract are superseded.
- 19.2 Any purported terms and conditions made referenced to or incorporated or alluded to within any documents issued by the Vendor relating to this Contract or the Product shall have no effect and shall not bind the Buyer.

20. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China, without regard to any conflict of laws principles that may direct the application of the laws of any other jurisdiction.

21. Dispute Resolution

Any dispute, controversy, or claim arising out of or in connection with this Agreement or its terms and conditions, including any dispute regarding its existence, validity, interpretation, or termination, whether during the term of this Agreement or thereafter, shall be submitted to the exclusive jurisdiction of the competent People's Court in Xiamen, People's Republic of China.