

General Terms and Conditions of Purchase DELO Industrial Adhesives (Shanghai) Co. Ltd.

§ 1 Exclusive Application

- (1) Our order is subject to the exclusive application of our general terms and conditions of purchase. These terms and conditions of purchase shall apply exclusively. Differing or contrary terms shall not apply except if expressly agreed upon in writing.
- (2) These terms and conditions of purchase shall also govern all future transactions between the parties and shall also apply if we except delivery despite our knowledge of differing or contrary terms.

§ 2 Order, Acceptance

The Supplier shall accept this order within a reasonable time not exceeding one week. After that, we shall no longer be bound by our order.

§ 3 Delivery, Risk of Loss

- (1) Deliveries shall be made DAP (INCOTERMS@2010) to the delivery address stated in the order.
- (2) In the event that, in certain cases, delivery terms other than DAP (INCOTERMS@2010) are agreed according to which transport insurance and the costs associated therewith are not the responsibility of the Supplier, we have arranged our own insurance against damage in transit. The Supplier shall therefore notify the freight forwarder that we expressly forbid the Supplier's freight forwarder from purchasing additional transport or storage insurance or additional liability insurance (collectively "Transport Insurance Cover"). If a freight forwarder charges us costs associated with purchasing Transport Insurance Cover, we shall be entitled to deduct such costs from the invoice of the Supplier without prejudice to any remedies provided by law.
- (3) All delivery dates stated in the order or otherwise agreed upon are binding. Premature or delayed delivery are not permissible. Receipt of the delivery at the delivery address or place of receipt specified in the order shall be controlling in determining whether such dates and deadlines have been met. If formal acceptance has been agreed by contract, successful acceptance shall be controlling. In case of premature delivery we are entitled to deduct the damages resulting therefrom from the purchase price. Supplier shall bear the procurement risk, unless otherwise agreed.
- (4) The Supplier shall immediately inform us of any threatening or existing delay in delivery, the reasons for such delay and the anticipated duration of such delay. Partial deliveries require the consent of DELO.
- (5) If agreed delivery times are not observed, we can demand for each complete working day by which the deadline is overrun an amount of 0.3 %, but a maximum of 5 % of the total order value as a lump sum. In addition, we shall be entitled to claim statutory rights. Acceptance of the delayed delivery or service shall not constitute any waiver of compensation.

§ 4 Prices, Terms of Payment

- (1) The prices specified by the order shall be binding. Unless otherwise agreed, the prices are DAP in accordance with INCOTERMS@2010 including packaging.
- (2) The purchase price is due and payable within 14 days from receipt of the proper invoice with a 2% discount or net within 30 days from receipt of the proper invoice or delivery of the goods, if received after the invoice and unless otherwise agreed. In the event that a delivery is defective, the deadline shall not begin to run until a defect-free delivery has been received.
- (3) For the calculation of purchase price the weight and number of units ascertained by us shall be decisive only.
- (4) Payment by us shall not be deemed acknowledgement of terms or prices other than those previously agreed in writing. The point in time when payment is made shall be without prejudice to our rights to raise objections or make claims for warranty.

§ 5 Product Liability, Insurance

- (1) The Supplier shall, upon first demand, indemnify us and hold us harmless from and against any and all liability or claims of third parties based on the manufacture, delivery, storage, or use of the delivered goods. In cases of fault-based liability this only applies if the Supplier is to be held responsible. If and to the extent that the cause of damage is the Suppliers' responsibility, the Supplier shall carry the burden of proof. The above indemnification shall not apply if the claim is based on our intentional or grossly negligent breach of duties.
- (2) The Supplier shall, at all times during the term of this contract, maintain global product liability insurance with an adequate minimum insurance amount of 25.000.000 Yuan for each single occurrence of personal and property damage. Supplier shall submit such certificate of insurance upon request immediately. Further damages shall remain unaffected.

§ 6 Offset, Retainer

We reserve all rights to offset or retain payment provided by applicable law.

§ 7 Liability, Warranty

- (1) We reserve all rights and remedies for non-conformity provided by applicable law. We are especially entitled, upon our election, to claim remedy of defects, delivery of conforming goods, and damages. We do not accept any exclusion of liability in the Supplier's terms and conditions as regards claims for consequential or indirect damages caused by slight negligence and gross negligence of, inter alia, vicarious agents.
- (2) If DELO informs the Supplier of the intended use of the goods to be supplied, the Supplier warrants that its delivery and service are suitable for that use.
- (3) In case of imminent danger we are entitled, after giving notice to the Supplier,

to remedy the defects on the Supplier's cost.

- (4) Warranty claims shall be time-barred after 24 months of the passage of risk.

§ 8 Quality Assurance / Change in Quality

- (1) The Supplier undertakes to warrant permanent quality assurance for its goods by means of installation of an adequate quality assurance system, e.g. DIN EN ISO 9001 ff or similar or otherwise suitable during and after production of its deliverables. The Supplier shall create documentation on these tests and checks.
- (2) The Supplier shall keep replacement parts for the goods available throughout the reasonable life of the goods. In the event that product change notifications and/or product discontinuation notifications for any of the goods are received, the Supplier shall be under an obligation to take appropriate action to ensure continued supply and to notify us without undue delay after it obtained knowledge thereof.
- (3) Without being requested to do so, the Supplier shall immediately inform us of changes in
 - Material composition,
 - Product designation,
 - Test methods/equipment,
 - Relocation of production sites,
 - Storage conditions prescribed,
 - Safety-relevant changes in the material safety data sheet,

provided that we are affected by the change. The changes shall require the written consent of us.

- (4) To this end, the Supplier shall inquire with its upstream Suppliers on a regular basis whether they have any plans for product changes or market withdrawals, provide us with information about potential alternative products and submit the relevant datasheets, samples, etc. to us without solicitation. From receipt of a product change notice or market withdrawal notice, we shall be given an option for at least six months to place a last order with the Supplier on the terms currently in force when the product change notice or market withdrawal notice is received. If the Supplier fails to do so, it shall be liable for damages resulting from the failure.

§ 9 Packaging

The Supplier warrants a proper packaging to safeguard that the products arrive at our site in sound condition. Supplier undertakes to ship the goods it has produced or processed only in packaging in compliance with the latest version of official packaging regulations. In addition the Supplier agrees to take it back after use at no charge and to reuse or recycle it.

§ 10 Warranty of Title

- (1) The Supplier warrants that the goods are free from rights of third parties and that delivery of the goods does not violate any rights of third parties. The Supplier shall indemnify us, upon first demand, from any claims of third parties in this regard.
- (2) Claims based on defect in title shall be time-barred pursuant to § 7 (4) above.

§ 11 Notice of defects

We shall check the identity of the goods, compliance of the delivery received with the order concerned and for obvious and visible damage caused in transit, and shall notify the Supplier of any visible defects within one week of delivery. We shall check the quantity and identity of incoming deliveries only on the basis of the delivery documentation and the marking on the external packaging of the goods. We shall be under no obligation to undertake any further technical inspection of incoming goods on receipt. We will give notice of concealed defects five days after detection. In this regard, Supplier waives the argument of receiving delayed notice of defects.

§ 12 Confidentiality

- (1) If a separate non-disclosure agreement has been entered into between the Supplier and us, it shall apply mutatis mutandis to all information disclosed in connection with a delivery or otherwise. In all other cases, the following provisions shall apply:
- (2) The Supplier shall keep all images, drawings, calculations, documents and other documents and information disclosed to it verbally, in writing or in any other form in connection with the delivery which is marked or designated as confidential or which by its very nature is confidential ("Confidential Information") strictly confidential. In case of doubt the respective information is deemed to be confidential. This shall not apply to information which (i) is generally known or lawfully disclosed to the public, (ii) was lawfully known to the Supplier before it received the same from us, (iii) was independently developed by the Supplier without resorting to or using the information received from us, (iv) the Supplier lawfully obtained from third parties not bound by confidentiality obligations who themselves obtained such information lawfully without being bound by confidentiality obligations, (v) the Supplier is required to disclose under statutory, regulatory or judicial orders; in this case, the Supplier shall notify us of the disclosure and shall restrict its scope as far as possible. The Supplier may disclose or forward Confidential Information to third parties only with our express prior written consent. Confidential Information may be disclosed to employees only to the extent necessary for the performance of the contractual obligations incumbent on the Supplier.
- (3) The confidentiality obligation shall also apply for an indefinite period beyond full completion of the deliveries. The Supplier may not use Confidential Information for purposes of its own other than for the performance of the contract. The Supplier shall be permitted to refer to the business relationship between us and the Supplier for advertising purposes, in whatever shape or form, including, without limitation, in reference lists, only with our express prior written consent. The Supplier shall be liable for all damages we may suffer due to non-compliance with the aforementioned confidentiality obligations.

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§ 13 Export Control

(1) The Supplier shall in particular ensure on its own responsibility that the goods it is to supply or any part thereof are not subject to any national or international export control regulations. If any of the goods or parts thereof are subject to such export control regulations, the Supplier shall obtain the necessary export licences for worldwide export at its own cost.

§ 14 Minimum Wages

(1) The Supplier shall pay all employees at least the minimum wage required by the applicable minimum wage legislation. In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. The Supplier shall not use deductions from wages as a disciplinary measure. The Supplier shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations. The Supplier shall pay employees in a timely manner and clearly convey the basis on which employees are being paid.

(2) DELO shall be entitled to immediate termination of any contracts without prior notice in case of breach of obligations of the minimum wage legislation by the Supplier.

(3) The Supplier shall, at first request, indemnify DELO from any claims arising out of any breach of the obligations of the minimum wage legislation caused by Supplier or sub-supplier in its supply chain. This indemnification shall be applicable to civil liability or for other administrative fines or penalties due to breach of the minimum wage legislation including any costs for legal action, provided that the claims alleged arose out of the breach of obligation of supplier or sub-supplier. For the sake of clarity, this indemnification is also applicable regarding claims of social security funds and financial authorities.

§ 15 Compliance with Statutory Requirements

(1) The Supplier shall ensure on its own responsibility that the goods it is to supply or any parts thereof comply with all applicable laws, guidelines, regulations or other regulations of authorities and employers' liability insurance associations.

(2) In the event that any of the provisions set out in § 13, § 14, § 15 (1) is found to be breached and the Supplier is responsible for such breach, the Supplier shall expressly indemnify us against all liability and responsibility in the external relationship, on whatever legal ground and shall bear all costs incurring to us in the event of contravention.

§ 16 Tooling Equipment

Any models and tools which are produced by the Supplier at our expense shall become our property upon payment for them. A loan agreement shall substitute the disposal. The tooling equipment shall be treated with care by the Supplier, indicated as our property and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier at replacement value against disasters such as fire, water, theft, loss and other damage. The Supplier shall undertake any maintenance and inspection works in due time at its own cost. The Supplier shall report any incidents to us promptly. This shall be without prejudice to any claims for damages we may be entitled to. Resale of the parts produced using these models and tools shall not be permitted without our express written approval. We are entitled to visit the Supplier's site to inspect the tooling equipment, the Supplier shall grant access to the site for this purpose.

§ 17 Reservation Of Title, Free-Issue Materials

(1) Reservations of title by the Supplier which go beyond simple reservation of title do not exist.

§ 18 Force Majeure

Each party can invoke force majeure only after immediate notice to the other party of occurrence and the duration of it.

§ 19 Place Of Performance, Applicable Law, Jurisdiction

(1) The delivery address specified in the order shall be the place of performance for the obligations of the Supplier.

(2) This contract shall be governed by the laws of PRC to the exclusion of the UN Sales Convention (CISG). However, we shall also be entitled to sue the Supplier at its general place of jurisdiction.

(3) Exclusive place of jurisdiction for all disputes arising out of or in connection with this contract shall be Shanghai.

§ 20 Miscellaneous

(1) The Supplier shall notify us without undue delay of any changes with respect to its company name, relocation of operations, ownership or shareholders.

(2) In the event of any inconsistency, the English version of our GTP shall prevail and shall be the sole binding basis for determining legal validity and for interpretation of the GTP.

§ 21 Severability Clause

Should any of the foregoing provisions be or become invalid, the validity of the remaining provisions shall not be affected thereby.