
FUCHS China

General Terms & Conditions of Sales and Delivery

Article 1 GENERAL PROVISIONS

- 1.1 These General Terms & Conditions of Sales and Delivery (hereinafter referred to as the "General Conditions") shall be applicable for sales and deliveries of all the products and services (hereinafter referred to as the "Products") provided by FUCHS Lubricants (China) Ltd., FUCHS Lubricants (Yingkou) Ltd., FUCHS Lubricants (Suzhou) Ltd. and FUCHS Lubricants Regional Headquarter (East Asia) (hereinafter referred to as the "Seller") to Buyer or a third party designated by the Buyer (hereinafter referred to as the "Buyer") without any exceptions.
- 1.2 Any terms and conditions stated by the Buyer that might contradict or deviate from these stipulated in the General Conditions shall apply only if and when confirmed and accepted expressly by the Seller in writing. The General Conditions shall also be valid in the event that the Seller executes orders without reservations even when aware of contradictory or deviating terms and conditions of the Buyer.

Article 2 OFFERS AND ORDERS

- 2.1 Unless otherwise stated and agreed by both the Seller and the Buyer (hereinafter referred to as both "Parties"), all offers from the Seller are based on EXW the Seller's plant (as per INCOTERMS 2000) and exclude all other additional costs including but not limited to consumption tax, customs duties, special packaging costs, transportation insurance, storage costs, unloading fees and inspection fees charged by the Buyer and/or any other third parties.
- 2.2 All offers, price lists, samples, material compositions, durability data, indications of weight and volume, and other specifications and information related to the Products are provided by the Seller without any commitments. They might be subject to changes without any prior notices provided to the Buyer. Offers provided by the Seller shall not be binding on the Seller unless the Buyer accepts them in writing within the specified periods.
- 2.3 Orders from the Buyer shall not become binding on the Seller until the Seller's acceptance of the orders in writing, commencement of works on the Products ordered or by the Seller's deliveries of the Products, whichever occurs first.
- 2.4 The Seller reserves the rights to adapt prices, for confirmed orders as well, to reflect any dramatic increases in its costs as the result of factors beyond its controls, which include but not limited to shortages of raw materials or labor, strikes, transportation or problems of similar nature, if the increases arise before the related Products are delivered.
- 2.5 Cancellations or modifications of the orders placed by the Buyer may be possible only with prior written consent from the Seller. The Seller reserves the right to charge back to the Buyer the costs incurred from either order cancellations or modifications.

Article 3 DELIVERIES

- 3.1 Unless both Parties expressly agreed on delivery schedules in writing, the Seller has the right to, at its own discretion, to fix delivery schedules for orders. Partial deliveries are allowed.
- 3.2 If the Seller is prevented from deliveries by causes beyond its controls, including but not limited to fires, floods, accidents, government actions, shortages of labor, raw materials, production facilities, and/or transportation, the delivery schedules are appropriately extended. The Seller will inform the Buyer of the beginning and the end of such circumstances by written notices specifying the causes of the events and how they will affect and/or have affected the performance of its obligations.
- 3.3 The Seller is only obliged to meet the delivery schedules confirmed if the Buyer has met their obligations.
- 3.4 The Products are deemed to have been delivered to the Buyer while they are transferred to the Buyer or to a third party/location designated by the Buyer. In the events that the Buyer or a third party/location designated by the Buyer is not in a position to receive the deliveries or the Buyer cannot designate a third party/location, the Seller is deemed to have fulfilled the obligations for the deliveries at the date when they are ready for dispatches.
- 3.5 Quantities, weights, volumes, and other measures marked on packages, delivery notices, or other documentation for the Products shall establish the basis for the Seller's fulfillment of obligations for deliveries and thereafter, invoicing.
- 3.6 Without incurring any liabilities to the Buyer, the Seller retains the right to reject or delay any orders, delivery schedules, and pick-up requests of the Buyer at any time, if either the Buyer or their suppliers do not have the legitimate license, qualified staff and facilities to store, ship and/or re-sell the hazardous Products or the Products of similar nature within the required timing schedules under national and local laws and regulations in China.
- 3.7 The Buyer shall account for all costs and risks arising from unloading a delivery, when it is shipped to the Buyer's locations or other places designated by the Buyer;
- 3.8 All packages for the Products shall not be collected or recycled by the Seller unless related costs and risks for such works are on the Buyer's account.
- 3.9 The Seller shall not accept consignment stock arrangements of any kinds, unless the Buyer can provide in writing the following,
- 3.9.1 Forecasts or delivery schedules based on which the Seller can have sufficient time to source raw materials and then, manufacture and deliver the Products;
- 3.9.2 Safeguards against any possible losses or damages of the Products if the consignment stocks are located in the Buyer's locations or any locations designated by the Buyer;
- 3.9.3 Updates of the data for the movement of

consignment stocks on a regular basis for the Products if they are in the Buyer's locations or any locations designated by the Buyer;

3.9.4 Guarantees to buy all the remaining stocks of the Products or dedicated materials prepared by the Seller based on the forecasts or delivery schedules if there are any delays or variations to them;

3.9.5 All related costs and liabilities shall be on the Buyer's accounts;

Article 4 PAYMENTS

4.1 The Seller shall issue the invoices for related deliveries and then, send them to the postal addressees specified by the Buyer through conventional express mail delivery service. The invoices are deemed to have arrived at the Buyer while the Seller sends out them in this way.

4.2 The Seller shall prepare account statements and send them to the Buyer periodically. The Buyer is obliged to check the account statements and to reply to the Seller within seven (7) days upon receipt of them. The Buyer is deemed to have accepted the account statements without any questions if no replies are received by the Seller within that period.

4.3 Payments by the Buyer are not regarded as having been effected until the date of receipts thereof on the Seller's bank accounts.

4.4 The Buyer must make payments to the Seller through direct wire transfers to the Seller's nominated bank accounts as per agreed payment terms. The Buyer shall bear all related bank charges.

4.5 If the Buyer is no longer able to meet its payment obligations for any reason, the Seller is entitled, at its own discretion,

4.5.1 to cease the provisions of the Products, unless the Buyer offers a bank guarantee or other security which secures the immediate settlements of the outstanding balances;

4.5.2 to demand reimbursements for the actual losses arising or interest charges for delays in payments. The interest charges for the delays are set at a rate of 0.5% per day for the debit balances due;

4.5.3 to demand the outstanding accounts to be settled immediately, even if they have not yet fallen due or have been extended, without any further delays or to take any other actions deemed necessary to recover the outstanding payments;

4.5.4 to cancel the General Conditions concerning a part of or all deliveries with a written notice without prejudice to the rights to which the Seller is otherwise entitled, without the requirements of any specific period of notice in any of these cases;

4.5.5 to file claims for compensations against the costs or losses arising from the Buyer not performing its obligations for payments, including but not limited to the activities to

chase overdue from the Buyer;

4.6 Offsetting against counterclaims by the Buyer is only permissible if the claims have been finally and conclusively proved by the Seller.

Article 5 TRANSFER OF RISKS AND OWNERSHIP RETENTION

5.1 The risks pertaining to the Products shall pass to the Buyer upon delivery.

5.2 In the event that delivery schedules are postponed by the Seller or caused by any factors as defined in §3.2, the risks shall be transferred to the Buyer at the date when the relevant Products are ready to be delivered.

5.3 The Buyer may sell the Products subject to title retentions only in the ordinary course of business and reserving the rights of property. However, the Products delivered remain in the ownership of the Seller until payments have been made in full, even if further processing is carried out on the Products.

5.4 Until payments have been received in full in respect of all of the claims from the Seller, the Products may not be pledged, handed over as security or encumbered with other rights of third parties.

5.5 If the Buyer violates the General Conditions, especially by default in payments, the Seller shall be entitled to recover possession after due warnings are given to the Buyer. In the event of the Products being taken back, the Seller is also entitled to invoice the Buyer for any transport or handling expenses incurred.

Article 6 WARRANTIES AND LIABILITIES

6.1 The Seller warrants that on the date of delivery, the Products shall conform to relevant standards and specifications in the Seller. Any further expressed or implied warranties, including but not limited to the merchantability of the Products or the adaptability to any specific applications of the Buyer, are explicitly excluded.

6.2 Unless the specifications and other information provided by the Seller for the Products have been agreed to be firm for a certain period, the Seller reserves the rights to change or modify them and to substitute materials used in the production of the Products from time to time.

6.3 When the Seller makes shipments to the Buyer or the third party designated by the Buyer, the Buyer is obliged to inspect the quantities and visual conditions of the packages incorporated in the shipment. The quantities and visual conditions of the packages are deemed to be inspected and accepted by the Buyer or a third party designated by the Buyer once they have signed the related delivery (pick-up) notices.

6.4 The Buyer is obliged to notify the Seller within eight (8) days after they are delivered in writing with any quality deficiencies. Otherwise, it is deemed that the Buyer has confirmed that no quality deficiencies exist for the deliveries.

6.5 If the Products are not in their original packages or have been removed from their original destinations to other locations without prior notices provided to the

Seller, the Seller shall not accept any claims against any possible quality or quantity deficiencies raised by the Buyer for the Products unless further evidence can be provided to prove otherwise.

6.6 If the Buyer has any claims against the Products, they must send samples or other related evidence to the Seller for technical analysis. The Buyer must keep the remaining Products in good condition. The Seller retains the rights to send staff or assign other people to carry out inspections at the locations where these Products, against which the Buyer raised claims, are placed. The Buyer should cooperate with the Seller for such activities.

6.7 If the Seller regards the claims raised by the Buyer for any possible quality or quantity deficiencies related to the Products as reasonable and acceptable, the Seller shall, at its sole discretion, decide if the Seller shall provide replacements or materials in short, or to provide discounts for the Products delivered. Apart from the said remedies, the Seller shall not be responsible for any other, either direct, indirect, or consequential, costs or losses.

6.8 The Seller shall not be responsible for any losses or consequences caused by the Products not used or handled by the Buyer in a proper manner.

Article 7 PLACE OF PERFORMANCE, JURISDICTION AND APPLICABLE LAW

7.1 Unless otherwise agreed, the place of jurisdiction and the place of signing the underlying <Purchase/Sales Contract> shall be Jiading, Shanghai.

7.2 The General Conditions shall be governed, construed, and enforced according to the laws and regulations in P.R. China.

Article 8 Export Controls

The Buyer hereinafter irrevocably confirms in relation to products delivered by the Seller the Buyer as follows:

8.1 The Buyer is not owned or controlled, directly or indirectly, by any person, entity or organization (each a "Sanctioned Party") listed in any applicable sanctioned party lists imposed by the European Union ("EU"), United Kingdom ("UK") and United States of America ("US") concerning the trading with entities, persons, and organizations listed therein in relation to Russia, Belarus as well as the territories Crimea, Donetsk, Luhansk and any further, if any, self-proclaimed republic on the territory of Ukraine (altogether the "Territories");

8.2 The Buyer will strictly observe all EU, UK, and US sanctions regulations concerning the trading with entities, persons, and organizations in relation to Russia, Belarus as well as the Territories. This includes inter alia:

8.2.1 compliance with goods-related and sector-related restrictions imposed by the EU, UK, and/or US concerning the trading with entities, persons, and organizations in relation to Russia, Belarus as well as the Territories;

8.2.2 the Buyer will not, directly or indirectly, sell and/or re-export the Products and Services to/

for use in Russia, Belarus, and the Territories; as well as when the Buyer makes the Products and Services available, directly or indirectly, to a third party located outside Russia, Belarus, and the Territories, the Buyer must ensure that (i) such third party must not be a Sanctioned Party and must not be owned or controlled by any Sanctioned Party, (ii) such third party must not, directly or indirectly, sell and/or re-export the Products and Services to/ for use in Russia, Belarus, and the Territories, (iii) such third party must not make the Products and Services available, directly or indirectly, to any entity, person, and organization being a Sanctioned Party or being directly/or indirectly owned or controlled by any Sanctioned Party, (iv) the Products will be used for civil end-uses only, as well as such third party accepts the commitments set forth in lit. 8.2.2 to 8.2.2 above as binding and that such third party is known to be trustworthy and reliable in the observance of such commitments.

8.3 In case of any non-compliance of the foregoing confirmations, the Seller is entitled (i) to terminate the entire or parts of the business relationship with the Buyer with immediate effect, (ii) to stop any deliveries of Goods (including rendering of Services) with immediate effect, and/or (iii) to any other adequate remedies (including, but not limited to, compensation of any damages, losses, and expenses).

Article 8 FINAL PROVISIONS

8.1 The Buyer is obliged to keep confidential all information provided by the Seller, which is either of a proprietary nature for the Seller or is not the intention of the Seller to be disclosed to others. It includes but not limited to offers, price lists, samples, material compositions, and other specifications.

8.2 If one or several of the provisions in the General Conditions should be or become invalid, it shall not affect the validity of the other provisions and the validity of the General Conditions. The provisions held to be invalid or unenforceable shall be replaced by those satisfying the legal and economic intents of the original provisions to the maximum extent permitted by the laws.

8.3 Oral agreements or consensus reached between both Parties, before or in the course of order conclusions, shall not be binding on the Seller unless otherwise accepted in writing.

8.4 The Buyer and the Seller are independent legal entities and contractors and the relationship created hereby shall not be deemed to be that of principal or agent.

8.5 The Seller reserves the rights to amend the General Conditions at any time.