

General Conditions of Sale

1. Scope of Application

All supplies and the services associated with them shall be provided exclusively on the basis of these General Conditions of Sale, unless otherwise agreed by the Parties in writing. References made by Buyer to his general terms and conditions are hereby rejected. Seller's General Conditions of Sale shall also apply to all future business. Deviation from these General Conditions of Sale requires the explicit written approval of Seller.

2. Offer and Acceptance

Seller's quotations are not binding offers but must be seen as invitations to Buyer to submit a binding offer. The Contract is concluded by Buyer's order (offer) and Seller's acceptance. In case the acceptance differs from the offer, such acceptance constitutes a new non-binding offer of Seller.

3. Product Information

3.1

Models or samples are merely non-binding examples. They do not guarantee any specific properties.

3.2

Deviation from product information or specific properties shall be permissible provided they are insignificant or unavoidable despite all care.

3.3

No warranty or guarantee is given by Seller in respect of supplies or services under this Contract and all implied terms, whether implied by law or otherwise, are expressly excluded to the extent permitted by law.

4. Advice

Technical advice with regard to goods and their application is given to the best of Seller's knowledge based on Seller's research and experience. All advice and information with respect to suitability and application of the goods shall not, however, create any liability of Seller and shall not relieve Buyer from undertaking his own investigations and tests.

5. Prices

If Seller's prices or Seller's terms of payment are generally altered between the date of contract and dispatch, Seller may apply the price or the terms of payment in effect on the date of dispatch. In the event of a price increase, Buyer is entitled to withdraw from the Contract by giving notice to Seller within 14 days after notification of the price increase.

6. Delivery

Delivery shall be effected as agreed in the Contract. General Commercial Terms shall be interpreted in accordance with the INCOTERMS in force on the date the Contract is concluded.

7. Damage in Transit

Notice of claims arising out of damage in transit must be lodged by Buyer directly with the carrier within the period specified in the contract of carriage and Seller shall be provided with a copy thereof.

8. Laws in Country of Destination

Buyer is responsible for compliance with all laws and regulations applicable in the country of destination regarding import, delivery, storage and use of the goods delivered by Seller. Buyer will pay all import, customs duties and any other taxes payable in the country of destination.

9. Delay in Payment

9.1

Delay in due payment constitutes a fundamental breach of contract. Buyer defaults if, when the purchase price is due, he does not pay in response to a reminder, but at the latest if he has not paid within 30 days of receipt of an invoice and the due date for the purchase price, even if Seller has not issued a reminder. If a calendar date for payment has been set Buyer shall be in default, even without a reminder, if he does not pay on time.

9.2

In the aforementioned cases Seller is entitled to charge interest on the amount outstanding from the moment of default at the rate of 5 percentage points above the current monthly EURIBOR rate (Euro Interbank Offered Rate) if invoiced in Euro or in a currency aligned with the Euro; or, if invoiced in any other currency, at the rate of 5 percentage points above the discount rate of the major banking institution of the country of the invoiced currency; however, in no case less than six percent of the amount outstanding.

10. Lack of Conformity

10.1

Buyer must notify Seller in writing if the goods do not conform with the Contract (e.g. defects, wrong shipment or quantity differences) within 2 weeks of receipt of the goods, precisely describing the nature and extent of the lack of conformity. If the lack of conformity cannot be determined without reasonable investigations such notice may be given within six months (or, if Buyer's place of business is not in the same country as Seller's head office: one year) after receipt of the goods.

10.2

Buyer may only declare the Contract void or request a reduction in the purchase price if delivery of substitute goods or remedy of the lack of conformity offered by Seller has not been performed within a reasonable period of time.

11. Liability

11.1

If Seller is not responsible for the lack of conformity, Buyer shall not be entitled to any claims for compensation.

11.2

Seller shall have no other liability to Buyer for any loss or damages suffered by the Buyer other than that caused directly and solely by Seller's gross negligence or willful breach.

11.3

Seller's liability is limited in each case to compensation for foreseeable loss of Buyer due to Seller's default. Seller's total liability under this Contract is further limited to the price of the supplies or services sold by Seller. In no event shall Seller be liable for any consequential, special, indirect or punitive damages.

12. Set off, Retention of Payment

A set off or retention of payment is only permitted if counterclaims exist which are either undisputed or adjudicated by final judgement.

13. Security

If there are reasonable doubts about Buyer's ability to pay, especially if Buyer defaults, Seller may, subject to further claims, revoke credit periods and demand payment in advance or security for further supplies.

14. Retention of Title

The goods sold shall remain the property of Seller until the price has been paid in full.

15. Force Majeure

Any incident or circumstances beyond Seller's control such as natural occurrences, war, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, or acts of government shall relieve Seller from Seller's obligations under this Contract to the extent Seller is prevented from performing such obligations. The same applies to the extent such incident or circumstance renders the contractual performance commercially impractical for Seller over a long period or occurs with suppliers of Seller. If the aforementioned occurrences last for a period of more than 3 months, Seller is entitled to terminate the Contract without Buyer having any right to compensation.

16. Place of Payment

Regardless of the place of delivery of goods or documents, the place of payment shall be Seller's place of business.

17. Communication

Any notice or other communication required to be received by a party is only effective at the moment it reaches this party. If a time limit has to be observed, the notice or other communication has to reach the recipient party within such time limit.

18. Termination

In the event that Buyer becomes insolvent, is adjudged bankrupt or goes into receivership or liquidation or any petition is presented against Buyer for bankruptcy, receivership or liquidation, Seller is entitled without prejudice Seller's other rights, to immediately suspend or terminate the Contract.

19. Jurisdiction

Any disputes arising from or in connection with this Contract shall be submitted to the Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rule in effect at the time of applying for arbitration. The arbitration hearing shall take place in Shanghai. The arbitration award shall be final and binding upon both parties.

20. Applicable Law

20.1

The contractual relationship shall be governed by the law of the People's Republic of China (the "P.R.C.") excluding (i) its conflict of laws principles and (ii) the United Nations Convention on Contracts for International Sale of Goods.

20.2.

For the purpose of this Contract, the P.R.C. shall not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan.

21. Contract Language

If these General Conditions of Sale are made known to Buyer in another language, in addition to the language in which the Sales Contract has been concluded ("Contract Language"), this is merely done for Buyer's convenience. In case of differences of interpretation, the version in the Contract Language shall be binding.