

**1. General:** Unless otherwise agreed in writing, these General Terms and Conditions of Purchase Order ("GTC") apply exclusively to this and all future orders/contracts between the Contractor ("Contractor") and us. In case there are any conflicts between the provisions of the orders/contracts and these GTC, unless the Parties otherwise agree in writing to expressly exclude these GTC in whole or in part, the provisions of these GTC shall prevail. We will not be bound by conflicting or additional terms of the Contractor even if we have not expressly contradicted them or have accepted delivery of goods/services without reservation.

**2. Order/Contract:**

2.1 Any Oral side agreements to the order/contract must be made in writing.

2.2 In case of material changes to the basis of the order/contract, in the event of good cause disturbing any contract for recurring performance, or if composition of insolvency proceedings have been initiated in respect of Contractor's assets and Contractor has not yet or not yet fully performed, we will, without exception, be entitled to withdraw from the contract or in the case of contracts for recurring performance terminate the contract without notice.

2.3 Quotes from Contractor will be provided free of charges.

2.4 Without prejudice to our further claims Contractor is entitled to partial delivery/performance only upon our approval.

**3. Correspondence:** In all correspondence Contractor must indicate the order/contract number and the date of the order/contract and the material name and/or material number specified by us.

**4. Execution:** Contractor must maintain a quality assurance system, for example pursuant to DIN ISO 9001. We are entitled to review Contractor's system in a quality audit as coordinated with him beforehand.

**5. Compliance:**

5.1 We refer to the documents titled "Code of Conduct for Employees of Evonik", "Evonik Global Social Policy," and "ESHQ-Values" which apply to Evonik Industries AG and its subsidiaries pursuant to Sec. 15 et seq. of the German Joint Stock Company Act and which are available at <http://www.evonik.com/responsibility>. We further refer to the "Evonik Code of Conduct for Suppliers" which sets out corresponding standards for our suppliers and which is also available at <http://www.evonik.com/responsibility>. We expect the Contractor to observe the internationally recognized minimum standards of the UN Global Compact and the international labour standards of the International Labour Organization (ILO).

5.2 The Contractor shall also comply with all anti-corruption laws that are applicable to the contractual relationship between the Contractor and us. Without prejudice to any other rights or remedies that may be available to us, any breach of the first sentence of this Section 5.2 in connection with this contract is deemed to be a breach of contract which shall entitle us to terminate the contract for cause.

**6. Subcontractor:** The employing of subcontractors will require our prior written consent. Contractor will subject the subcontractors to all obligations he has entered into in relation to us and furthermore will ensure compliance with such obligations by his subcontractors.

**7. Transport (Apply to Goods Purchase):**

7.1 Contractor will note the address indicated in the order/contract. The transportation/shipping has to comply with the regulations of the tariff, transport and packaging or railways, road transportation, shipping, air transportation, etc.

7.2 In addition to the forwarding address, the order information (order no., order date, delivery office, the name of the recipient if applicable and the material name and/or material number specified by us) will always be included in the transportation documentation. If third party transportation suppliers are employed, they will indicate Contractor as their customer in all correspondence and freight documents also indicating the date of purchase order.

7.3 The quantity of the goods and the unit shall be labeled on the packing in a clearly visible manner in accordance with usage of trade.

**8. Information on Hazardous Materials, Product Information (Apply to Goods Purchase):**

8.1 The delivery items are to be labeled in accordance with the provisions of the hazardous materials regulation of relevant jurisdictions and the EC/EU Directives for Hazardous Materials/Preparation.

8.2 Contractor shall provide us prior to delivery and in a timely manner with all necessary product information, especially with respect to product composition and shelf life/service life, for example, safety data sheets, processing advice, labeling regulations, assembly instructions, workers' protection measures, etc., including any amendments of the foregoing.

**9. Delay:**

9.1 The date of delivery/performance indicated by us in the purchase order/contract is binding. Contractor shall inform us without undue delay and in writing whenever there is a chance that he may not be able to perform within the agreed time period. In case of delay, we will be entitled to our statutory rights.

9.2 Contractor may claim to his defense that document or information required from us have not been provided only if he has not received such document or information within a reasonable period despite having sent a reminder.

9.3 We may claim any agreed and forfeited contractual penalties according to the relevant laws and regulations and the order/contract.

**10. Performance Certificate and Taking-Over:** Any performance certificates provided for under order/contract as well as the Taking-Over shall be made free of charge to us and in writing.

**11. Weight/Volume:** Without prejudice to our further claims in the event of discrepancies in weight the weight established by us upon the inspection of incoming goods shall prevail. This clause applies to volume accordingly.

**12. Billing and Payment:**

12.1 Invoices must comply with the applicable statutory requirements. The invoice shall indicate the order/contract number and the material number. Invoices shall be sent separately to the billing address specified in the order/contract

12.2 The payment period begins upon delivery of goods at their destination (shipping address) or at acceptance of performance, and upon receipt of invoice at the billing address indicated in the order/contract. Payments are no indication of approval.

**13. Notice of Defect:** We perform an incoming goods inspection only in terms of obvious external (transportation) damage and obvious external deviations in terms of identity and quantity. We will send notification of such defects within a reasonable period after such defects are detected. In all other respects, we will send notification of defects as soon as these have been identified within our normal course of business.

**14. Claims for Defects, Liability of Contractor, Statute of Limitations:**

14.1 Contractor ensures that his delivery/performance has the individually ensured properties and the contractual agreed quality which is suitable for the contractually required use, that is not negatively affected in the terms of value or fitness for the particular purpose, and that it complies with the state of the art as well as current statutory and official regulation.

14.2 If the delivery/performance does not comply with the specifications of item 14.1 or is defective in any other way, we may demand at our option in addition to any statutory rights the short-term and free of charge replacement of defective goods or remedying of defects. Contractor in such a case has to compensate us for all expenses incurred directly or indirectly by us based on his mal-performance. In cases of urgent need, or if Contractor is in default with its remedial action, we are entitled to remedy the defect ourselves or by a third party at Contractor's expense without delay. If Contractor has given a guarantee for the quality or durability of the delivery/performance regardless of the above, we may also assert our rights from the guarantee.

14.3 Contractor will be liable for defects of title in accordance with statutory regulations; in particular, that the delivery/performance or its contractually agreed use does not infringe patents or other third party industrial rights in the agreed recipient country. If a claim is asserted against us as a result of such infringement, Contractor will, at our first written request, release us from all claims (including all legal costs) that we incur from or in connection with the third party claims. We may not make any agreement with the third party at the expense of Contractor without Contractor's consent.

14.4 In all other respects, Contractor's liability will be limited exclusively to the statutory provisions. Upon our first request, Contractor will release us from third party claims for compensation if the defect causing the liability claims is caused by and is the responsibility of Contractor or his suppliers.

14.5 Even if Contractor's industrial property rights exist, we or third parties commissioned by us may repair or develop the delivered item.

14.6 The statutory and/or contractually agreed claims and rights relating to material defects and the defects in title will become statute barred in accordance with statutory regulations.

**15. Insurance:** Upon our request, Contractor shall maintain liability insurance with terms customary to the industry, minimum coverage of € 2 million per occurrence, for the duration of contract, including the guarantee and warranty period or statute of limitation. Contractor must provide documentation of his insurance coverage upon request; lower levels of coverage shall be coordinated with us in the individual case

**16. Information:** All information, including drawings and other materials we require for assembling, operating, servicing or repairing the items delivered shall be provided to us by Contractor in good time, without any special request and without charge.

**17. Entering to the Plant Site/Construction Site:** When entering our plant site/our construction site, everyone has to follow the instructions of our trained personnel. In all other respects, Contractor will obtain and comply with the respective site regulations (such as, safety regulations).

**18. Liability:** Regardless of the legal basis, we, our legal representatives, and our employees will be liable only for gross negligence, intent, or if duty that was breached is essential for fulfillment of the purpose of the agreement (so called cardinal duty). In case of slightly negligent breaches of cardinal duties, our liability will be limited to compensation of foreseeable damage that is typical for such a contract. This will not apply if we are liable for injury to life or limb or for damage to personal property according to statutory product liability regulations.

**19. Waste Disposal:** To the extent that Contractor's deliver/work leaves waste under the meaning of waste management law, he will recycle or remove such waste, subject to any written agreement to the contrary, at his own expense and in accordance with the regulations of waste management law. Title, risk and the responsibility under waste management law will pass to Contractor upon the arising of waste.

**20. Confidentiality:** Contractor undertakes to keep confidential any information, knowledge and materials, for example, technical and other data, measured values, techniques, business experience, business secrets, know-how, drawings and other documentation (hereinafter: "INFORMATION") received from us or disclosed in any other way by our domain or the domain of another Group company, and will not disclose such INFORMATION to third parties and use it for the purpose of executing the respective order/contract only. Contractor undertakes to return all INFORMATION delivered to him in a tangible form such as documents, samples, specimens, or the like without undue delay upon our request without retaining any copies or notes. In addition, he will delete his own notes, compilations and evaluations containing INFORMATION without undue delay upon our request and will confirm this to us in writing. We have ownership and copyright to all INFORMATION.

**21. Planning Documents:** Any drawings or drafts etc. made by Contractor according to our special requests shall become our property without our being additionally charged for it, regardless of whether they remain in the possession of Contractor. Any statements made by Contractor indicating the opposite or otherwise not in compliance with the aforesaid, for example, printed on the documents handed out to us shall not be binding.

**22. Advertising Materials:** Contractor may refer to the business relationship existing between us in his informational and advertising materials with our express prior written consent only.

**23. Prohibition of Assignment:** Assignments by Contractor except for obtaining prior written consent by us are prohibited.

**24. Severability:** Should any of these provisions be deemed partly or totally invalid, this shall have no effect on the validity of the remaining conditions.

**25. Place of Jurisdiction and Applicable Law:**

25.1 In case of any disputes, exclusive place of jurisdiction shall be the location of the registered office of our company.

25.2 The contract and the legal relationship between the Contractor and us shall be governed by PRC laws. The United National Convention on Contracts or the International Sale of Goods (CISG) of April 11, 1980 shall not apply. Trade terms shall be construed in accordance with the applicable Incoterms of ICC, Paris.