



**SUPPLEMENTAL CLAUSES TO  
PURCHASE ORDER TERMS AND CONDITIONS**

The parties agree that clauses contained in these supplemental clauses (the "**Supplemental Clauses**") shall amend the Purchase Order Terms and Conditions (the "**Order**"). If there is any difference between the Order and the Supplemental Clauses, the Supplemental Clauses shall prevail.

Unless otherwise defined hereof, the terms used in these Supplemental Clauses shall have the same meaning with the terms defined in the Order.

**1. Reference to U.S. Dollar**

For the purposes of the Order where both the Buyer and the Seller are located in the People's Republic of China, all the references to any amounts denominated in USD shall be refer to their RMB equivalent.

**2. Amendment to Clause 3 (Customer Requirements)**

For the purposes of paragraph (d) of Clause 3, if Customer fails to pay Seller any amount as assigned by the Buyer within a reasonable time, Seller may claim such unpaid amount from Buyer, subject to the time limits set forth in Clause 34.

**3. Amendment to Clause 7 (Transportation Charges, Customs Duties and Taxes)**

For the purposes of paragraph (b) of Clause 7, the references to taxes shall include without limitation value-added tax and business tax levied under the laws of People's Republic of China.

**4. Amendment to Clause 8 (Customs Drawback Documents and Export Controls)**

Clause 8 of the Order shall not apply to the Order where both the Buyer and the Seller are located in the People's Republic of China.

**5. Amendment to Clause 10 (Payment)**

For the purposes of any payment under Paragraphs (a) and (b) of Clause 10, the Seller must furnish the Buyer with the relevant official receipts, including but not limited to those relating to value added tax or business tax.

**6. Amendment to Clause 17 (Materials, Equipment, Tools and Facilities)**

For the purposes of Paragraph (b) of Clause 17, the Buyer's Property, while in Seller's custody or control and while in the custody or control of Seller's suppliers, contractors or agents, shall be marked and adequately identified as the Buyer's Property.

At the Buyer's request, the Seller shall agree to enter into a separate bailment agreement which shall serve as supplemental to the Order.

## **7. Amendment to Clause 18 (Intellectual Property)**

For the purposes of Paragraph (b) of Clause 18, the effectiveness of any License shall be subject to completion of any approval or registration procedures and formalities required by all applicable Laws.

11 USC Section 365(n) does not apply to the Order where both the Buyer and the Seller are located in the People's Republic of China.

At Buyer's request, Seller shall agree to enter into a separate license agreement for Seller's Intellectual Property.

## **8. Amendment to Clause 21(Compliance with Laws)**

Item (e) provided as follows shall be added into the Clause 21:

The Seller undertakes that, (i) In the event that the Goods or Services it provides under the Order use or contain any new chemical substances which are required to be notified or registered in accordance with the effective Measures for Environmental Management of New Chemical Substances issued by Chinese government, the Seller shall serve an notice to the Buyer indicating the relevant information on the new chemical substances that are used or contained in the Goods or Services it provides; in addition, the Seller shall, at its own costs, notify or register with relevant authorities in accordance with relevant laws and regulations and provide the Buyer with related notification proof or registration certificate. Provided that such notification or registration can only be made by the Buyer under the laws of People's Republic of China, the Seller shall be responsible for providing relevant materials as required by such notification or registration and assisting the Buyer in handling the procedures. The fees and costs incurred for such notification and registration shall be borne by the Seller. (ii) In the event that the Goods the Seller provides under the Order use or contain any products which shall get the national Compulsory Certification in accordance with the Provisions on the Administration of Compulsory Product Certification and other relevant regulations, the Seller shall at its own costs get such Certification, and use such Certification mark on relevant products. Provided that such Certification can only be made by the Buyer under the laws of People's Republic of China, the Seller shall be responsible for providing relevant materials as required by such Certification and assisting the Buyer in handling the procedures. The fees and costs incurred for such Certification shall be borne by the Seller. (iii) If the Seller is subject to certain specific requirements on security and environmental management under national laws and regulations, including but not limited to the Seller is engaged in the manufacture, transportation, discard or disposal of the hazardous chemicals, or use the hazardous chemicals as raw materials, the Seller shall observe such specific requirements, especially the provisions under Regulation on the Safety Management of Hazardous Chemicals and etc., and the Seller shall provide the Buyer the corresponding hazardous chemicals and its package and containers' production license (including the corresponding chemical safety technical specification, chemical safety labels), specific production license, verification certificate, hazardous chemicals transportation enterprise qualification certificate and other related documents, the Seller shall guarantee the validity of such certificates and documents. The Seller shall bear the related liabilities and hold the Buyer harmless from any loss, damage and liabilities in case it fails to perform its obligations hereunder.

Besides, item (f) provided as follows shall be added into the Clause 21:

The Goods or Services provided by the Seller under this Order shall comply with applicable Law or standards of the country of destination of the Buyer's products or which relate to the manufacture, labeling, transportation, importation, licensing, approval or certification of the Goods, including those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety, motor vehicle safety and any trade agreements. Upon the

Buyer's request, the Seller shall provide relevant written documents to the Buyer. In the event that the Goods under the Order which are required to be declared, registered or certified in accordance with any applicable laws, including but not limited to the declaration, registration or certification under European Union's Regulation Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Directive ELV, Directive ROHS, Directive relating to restrictions on the marketing and use of certain dangerous substances and preparations (DIRECTIVE 76/769/EEC), Directive relating to the classification, packaging and labelling of dangerous substances (DIRECTIVE 67/548/EEC), the Seller shall guarantee that the Goods and its raw materials, production process, packaging and transportation package under the Order satisfy such requirements, and the Seller shall at its own costs get such declaration, registration or certification. Provided that such declaration, registration or certification can only be made by the Buyer under the applicable laws, the Seller shall be responsible for providing relevant materials as required by such declaration, registration or certification and assisting the Buyer in handling the procedures. The fees and costs incurred for such declaration, registration or certification shall be borne by the Seller. Notwithstanding the foregoing, in case that the Goods or Services provided by the Seller to the Buyer under this Order contain any Substances of Very High Concern (SVHC) released by European Chemicals Agency (ECHA) from time to time, the Seller shall initially provide relevant Safety Data Sheets to the Buyer without the Buyer's request.

**9. Amendment to Clause 26 (Termination upon Insolvency, Bankruptcy, etc.)**

For the purposes of Paragraph (a) of Clause 26, an Insolvency Event may also occur when (i) any party is in the procedure of liquidation or (ii) a liquidation committee is appointed in respect of any party.

**10. Amendment to Clause 34 (Remedies)**

Any proceedings or actions initiated by Seller under paragraph (c) of Clause 34 shall be commenced within two (2) years from the date of the breach, act or omission (as appropriate) giving rise to Seller's claim.

**11. Amendment to Clause 42 (Governing Law and Jurisdiction)**

(1) For the purposes of the Order where the Seller is not located in the People's Republic of China and the Buyer is located in the People's Republic of China, the Order shall be interpreted and enforced in accordance with the local, domestic laws of the People's Republic of China. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Order. Any claims, controversies or disputes arising from the Order shall be submitted to Shanghai International Economic and Trade Arbitration Commission, for arbitration pursuant the arbitration rules in effect then. The arbitration shall be conducted in Shanghai. The arbitral award shall be final, enforceable and binding upon the parties.

(2) For the purposes of the Order where both the Buyer and the Seller are located in the People's Republic of China, the Order shall be interpreted and enforced in accordance with the local, domestic laws of the People's Republic of China. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Order. Any claims, controversies or disputes arising from the Order shall be submitted to the jurisdiction of the court where the Buyer is located.

(3) For purposes of the Order where the Seller is located in the People's Republic of China and the Buyer is not located in the People's Republic of China, the Order shall be interpreted and enforced as follows:

(a) If the location of Buyer from which this Order issued is in the United States of America, this Order shall be interpreted and enforced in accordance with the local, domestic laws of the State of Michigan and of

the United States of America, exclusive of the choice of law rules thereof. If the location of Buyer from which this Order issued is in Canada, this Order shall be interpreted and enforced in accordance with the local, domestic laws of the Province of Ontario and of Canada, exclusive of the choice of law rules thereof. Except as otherwise expressly stated in this Order, if the location of Buyer from which this Order issued is other than as set forth above and is not in Europe, this Order shall be interpreted and enforced in accordance with the local, domestic laws of the State of Michigan and of the United States of America, exclusive of the choice of law rules thereof. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order.

- (b) Any litigation on contractual claims arising from this Order may be brought by Buyer in any court having jurisdiction over Seller or, at Buyer's option, in any court having jurisdiction over any Buyer's locations specified in this Order, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any claim or proceeding by Seller against Buyer may be brought by Seller only in the court having jurisdiction over the location of Buyer from which this Order issued. Seller irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such claim or proceeding in any such court, including any objection that the place where such court is located in an inconvenient forum or that there is any other claim or proceeding in any other place relating in whole or in part to the same subject matter.
- (c) At Buyer's option, any dispute regarding this Order or any of these Terms, or any other matter between the parties (other than requests for equitable or injunctive relief) will be resolved by binding arbitration, conducted in the English language using a single arbitrator. Buyer may exercise its option by sending Seller written notice within 30 days of receiving formal service of process in a legal action or at any time following receipt of notice of any other claims. The arbitration will be administered by International Centre for Dispute Resolution ("ICDR") and shall be conducted in accordance with the ICDR's International Dispute Resolution Procedures, including its International Mediation and Arbitration Rules (the "Rules"). Unless the Seller and Buyer otherwise mutually agree, the arbitration will be conducted in Oakland County, Michigan, USA. The arbitrator will be agreed upon by the parties. If the parties cannot agree on an arbitrator, the arbitrator will be selected in accordance with the procedures set forth in the Rules, or any other selection method agreed upon by the parties. The arbitrator will issue written findings of fact and conclusions of law. Each party will bear equally the costs and expenses of arbitration, and each party will bear its own costs and expenses. All arbitration proceedings shall be confidential, except to the extent that disclosure is necessary to enforce an arbitration award in a court of competent jurisdiction. Judgment upon the arbitration award may be entered in any court having jurisdiction over the party against whom enforcement is sought or such party's property, provided, however, that either party may appeal to the U.S. District Court for the Eastern District of Michigan for correction of any clear error of fact or law by the arbitrator. If the United States District Court for the Eastern District of Michigan lacks subject matter jurisdiction, then the appeal may be brought in the Circuit Court for the County of Oakland, State of Michigan. This Section shall not preclude the parties from applying to any court of competent jurisdiction for purposes of seeking any preliminary or injunctive remedies available under applicable laws for any purpose, including, but not limited to, securing the subsequent enforcement of an arbitration award. The arbitration provisions of this Section will be governed by the United States Federal Arbitration Act.