

Texon General Terms and Conditions of Purchase

APPLICABILITY AND SUBCONTRACTING

1. These General Terms and Conditions of Purchase (“**T&C**”) apply exclusively to, and form an integral part of, all orders, contracts, arrangements, enquiries and quotations regarding the sale and purchase, supply or delivery of goods and/or services (together, “**Deliverables**”) to Texon International Group Limited and/or any of its subsidiaries anywhere in the world (together, “**Texon**” or “**we**”) by any supplier, vendor, provider, business partner or any of its affiliated companies anywhere in the world (together, “**Supplier**”). Supplier and Texon are each a “**Party**” and collectively the “**Parties**”.
2. Terms explicitly agreed by the Parties in a purchase order, contract or other binding agreement (together, “**Order**”) shall take precedence over conflicting terms in these T&C, but only for that particular Order. We reject all standard terms and conditions of Supplier, which shall be null and void (including those printed on, attached to, or included or referred in, any Order, Order confirmation or other document), except if accepted by Texon by explicit signed and written statement.
3. Supplier may not subcontract any part of an Order to any third party without Texon’s express prior written consent. Supplier shall remain primarily liable and responsible for the acts or omissions of its subcontractors.

ORDERS

4. Offers for Deliverables shall be made free of charge by Supplier, shall be valid for at least one (1) month, and shall correspond to the inquiry or request for quotation.
5. Only Orders issued or explicitly accepted by Texon in writing (including by email, fax and other electronic means) are valid and shall be binding on Texon. Oral arrangements shall not be binding on Texon, unless confirmed in writing. Supplier shall confirm each Order in writing no later than two (2) workdays after receipt. If Texon does not receive the Order confirmation within this period, our Order is deemed accepted in full without modifications. Any additional or conflicting terms or conditions set forth in any invoice or acknowledgment of an Order shall have no effect, unless explicitly accepted by Texon in writing. Texon has the right to cancel any Order not yet confirmed by Supplier in writing without any liability or penalty.
6. In absence of a written Order, Texon shall not pay any remuneration and/or compensation of any kind for the preparation of any offer, bid, samples, documentation, project or any other work.

PRICES AND PAYMENT

7. Unless otherwise agreed in writing, the price stated in an Order shall be: (a) based on the Incoterms 2020: Delivered Duty Paid (DDP) (place of Texon’s business), (b) Supplier’s sole compensation for that Order, (c) inclusive of any and all costs, taxes, duties, transport, storage, insurance and other expenses, and (d) binding and not subject to any adjustment.
8. Supplier shall issue and deliver invoices in the agreed format, including electronic form (pdf-format), and send these to address stated in the Order (in no event may invoices be included with the Deliverables). Each invoice shall include at least the following:
 - a. Order number; date of invoice; payment due date and shipment information;
 - b. Description of Deliverables; quantity; unit price; total value of the Order; and
 - c. Supplier’s name/details; Texon’s name/details; and Supplier’s bank account details.
9. Unless otherwise agreed in writing, Supplier’s invoices that are correct, complete and fully compliant with the Order shall be paid by Texon within sixty (60) days, which term shall commence on (a) the date of receipt of said invoice by Texon, or (b) the date of Texon’s acceptance of the relevant Deliverables, whichever is later. Invoices for partial deliveries shall only be settled if Texon has requested partial delivery.
10. Texon shall pay into the bank account stated on Supplier’s invoice

and shall not be responsible or liable for any inaccuracies in those details. Texon shall have the right to (a) suspend payment in case of incorrect or incomplete invoice or bank account details, or if there is a Defect in the Deliverables, and (b) set off any amounts Supplier owes Texon against any invoice amount. Payment by Texon shall in no way imply that Texon has accepted the quality or quantity of any Deliverables, nor any waiver of rights by Texon.

DELIVERY

11. Unless otherwise agreed in writing, (a) delivery shall take place at the time and place agreed in the Order and in accordance with the Incoterms 2020: Delivered Duty Paid (DDP) (place of Texon’s business), (b) partial or early deliveries of Deliverables are not permitted, and (c) Texon shall have the right to defer delivery of an Order, in which case Supplier shall at its expense store, preserve, and secure the Deliverables separately, properly packed, and identifiable. The ownership title to the Deliverables shall pass to Texon upon delivery. The risk of the Deliverables shall pass to Texon in accordance with the agreed Incoterms.
12. Time is of the essence and the agreed time of delivery stated in the Order (or as otherwise agreed) shall be deemed a strict deadline. Supplier shall immediately notify Texon in writing of any imminent delay. Without prejudice to any of its other remedies, in case of a delay in delivery of more than thirty (30) days (including due to force majeure; unless otherwise agreed), Texon may cancel the entire Order without any penalty or liability on the side of Texon.
13. Supplier shall ensure that each delivery is accompanied by (a) a delivery note showing the Order number, Order date, item codes, product name, quantity, description, packing size and other information required by Texon, (b) the Technical Data Sheet (“**TDS**”) with the Deliverables’ specifications, (c) the Safety Data Sheet (“**SDS**”) and (d) a Certificate of Analysis (“**CA**”).
14. Supplier shall observe the regulations of the forwarder and select the packaging and transport option that is the least expensive and most appropriate for Texon, unless we have expressly stipulated the transport method (in which case Supplier shall follow Texon’s instructions in that regard). Supplier shall at its own costs arrange customs clearance for cross-border transactions to take place at Texon’s place of business. Supplier shall provide all necessary supporting documents and its translations required for import and product acceptance (including a separate detailed notice of dispatch in triplicate for each shipment on the date of departure of the Deliverables). Notices of dispatch, freight letters, package labels, stickers and tags for cargo, carload stickers, invoices and all correspondence must state the Order number and Order date.
15. No additional documents, labels, stamps or any other information should be placed on any Deliverables, their packaging or placed between Deliverables, unless expressly agreed by Texon prior to the shipment.
16. All shipments, particularly truck and car loads, shall be dispatched in a way that they arrive at our location during the hours of the receiving department. Suppliers, forwarders, shippers and their agents need to observe and comply with the regulations applicable at our place of business, especially environmental, social and governmental regulations.

INSPECTION

17. Texon shall at all times during regular operating hours have the right to, or have a third party on its behalf: (a) inspect the Deliverables, including during manufacture, processing and storage; (b) carry out an acceptance test of the Deliverables prior to delivery; (c) inspect or audit each site where Deliverables are manufactured, processed, or stored (including at Supplier’s subcontractors); and (d) inspect or audit the manufacturing process and standards of the Deliverables (including related documents, certifications, quality instructions, control records and test results) and the related labour conditions. Supplier shall cooperate with the foregoing free of charge, follow any and all reasonable instructions from Texon and its representatives, and permit them to take, free of charge, samples and any and all other materials related to the Deliverables or the production thereof, in

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such quantities as they deem necessary.

18. During any of the above tests, Texon may reject any Deliverable that, in Texon's reasonable opinion, contains a Defect. Texon is at all times entitled to carry out a representative acceptance test, and the results of such test will be binding with respect to the assessment of the quantity and quality of the whole delivery.
19. Texon may at all times appoint an independent inspection or testing agency to carry out an audit or inspection in accordance with the above, the results of which shall be binding on both Parties. Any other type of inspection or audit is for the sole benefit of Texon, and Supplier shall not derive any rights therefrom. Under no circumstances shall an inspection or any acceptance of Deliverables be deemed a waiver by Texon of any of its rights, nor shall it release Supplier from any responsibility or liability in respect of the Deliverables.

PRODUCT QUALITY AND WARRANTY

20. Supplier shall ensure that each Deliverable meets any and all specifications, drawings and quality requirements agreed or stated in, provided by, or following from (i) the Order, (ii) these T&C, (iii) the Code of Conduct or Substances Policy, (iv) the TDS, SDS or CA, (v) any prototype, sample, model, catalogue, illustration, drawing, document or information provided or confirmed by Supplier, and (vi) any laws and regulations applicable to it (together, "**Specifications**").
21. EXCEPT AS AGREED OTHERWISE IN WRITING, SUPPLIER HEREBY IRREVOCABLY REPRESENTS, WARRANTS, AND GUARANTEES TO TEXON THAT EACH DELIVERABLE SHALL AS OF THE MOMENT OF DELIVERY UNTIL THE END OF THE WARRANTY PERIOD:
- A. BE READY FOR USE, MERCHANTABILITY, FIT FOR THE PURPOSE EXPRESSLY OR IMPLICITLY MADE KNOWN TO SUPPLIER OR FOR WHICH PRODUCTS OR SERVICES OF THE SAME DESCRIPTION WOULD ORDINARILY BE USED, AND SAFE FOR ANY REASONABLY FORESEEABLE USE;
 - B. BE IN CONFORMITY WITH EACH OF ITS SPECIFICATIONS;
 - C. POSSESS THE QUALITIES WHICH SUPPLIER HAS HELD OUT TO TEXON AS A PROTOTYPE, SAMPLE OR MODEL OF THE RELEVANT DELIVERABLE;
 - D. BE OF GOOD QUALITY AND WORKMANSHIP, COMPLY WITH RECOGNIZED RULES OF ENGINEERING, BE FREE FROM DEFECTS IN DESIGN, MATERIAL AND WORKMANSHIP, AND CONSIST ONLY OF FIRST QUALITY AND NEW MATERIALS;
 - E. COMPLY WITH APPLICABLE LAWS AND REGULATIONS AND IS LEGAL FOR SALE IN THE INTENDED LOCATION OF DISTRIBUTION;
 - F. BE MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER, THESE T&C, THE SUBSTANCES POLICY, THE CODE OF CONDUCT, AND ANY OTHER GUIDELINES OR INSTRUCTIONS AS NOTIFIED TO SUPPLIER FROM TIME TO TIME; AND
 - G. BE FREE FROM ANY RESTRICTIONS IN USE OR CLAIM OF ANY THIRD PARTY, AND NOT INFRINGE THE RIGHTS, INCLUDING ANY RIGHTS TO INTELLECTUAL PROPERTY, OF ANY THIRD PARTY ANYWHERE IN THE WORLD.
22. UNLESS OTHERWISE AGREED IN WRITING, THE WARRANTY PERIOD OF EACH DELIVERABLE SHALL AT ALL TIMES BE THE NOTIFIED SHELF LIFE OF THE RELEVANT END-PRODUCT, OR TWO (2) YEARS AFTER THE ACCEPTANCE OF THE DELIVERABLE, WHICHEVER IS LONGER ("**WARRANTY PERIOD**").

DEFECTS

23. In the event that Texon, at any time, determines in its reasonable opinion that any Deliverable does not, in whole or in part, comply with clause 21 hereof, the Order, these T&C or any other agreement between the Parties (such Deliverable having a "**Defect**"), Texon may, at its sole discretion, demand that Supplier shall (without prejudice to any of its other remedies) immediately:
- (a) give Texon a credit for the full price of the Defect Deliverable;
 - (b) replace the Defect Deliverable free of charge; or
 - (c) repair the relevant Defect Deliverable free of charge such that it shall no longer be Defect. Texon does not need to provide any samples in

order to make any claim in relation to a Defect.

24. IN CASE SUPPLIER DOES NOT COMPLY WITH CLAUSE 23 AND FAILS TO CURE THIS BREACH WITHIN TEN (10) DAYS AFTER HAVING BEEN NOTIFIED THEREOF, TEXON MAY AT ITS SOLE DISCRETION (I) TERMINATE THE ENTIRE ORDER (RESULTING IN TEXON BEING ENTITLED TO A FULL REFUND FOR THAT ORDER), (II) HAVE THE DELIVERABLES REPAIRED BY A THIRD PARTY AT SUPPLIER'S COST AND EXPENSE, AND (III) PURCHASE SUBSTITUTE PRODUCTS AT SUPPLIER'S COST AND EXPENSE (SUCH WITHOUT PREJUDICE TO TEXON'S RIGHT TO EXERCISE ANY OF ITS OTHER RIGHTS).
25. Notwithstanding anything to the contrary, in case any Deliverables exceed any tolerance levels determined in the Specifications, Texon shall at all times be entitled to claim compensation in cash from Supplier.

INTELLECTUAL PROPERTY

26. Supplier represents, warrants, and guarantees the free and unrestricted use of the Deliverables by Texon, its customers and end-users anywhere in the world. If necessary to comply with the foregoing, Supplier shall purchase, at its own cost, a license for Texon, its customers and end-users.
27. Any Deliverable that is a service, or a good specially developed by Supplier for Texon, is a work-made-for-hire and Texon shall own (and Supplier shall assign to Texon) any and all intellectual property rights in that Deliverable, and such Deliverable shall not be made available by Supplier to any third parties.
28. Texon retains sole ownership of any and all models, tools, documents, drawings, samples, know-how, copyright protected works, and other intellectual property, resources or materials we make available to Supplier or any of its Related Parties, and none of this, as well as any goods produced pursuant to them, may be used by Supplier for any purpose other than performing the relevant Order, nor reproduced, copied, or disclosed or made accessible to third parties (except with our express prior written approval). Each of the foregoing items shall be returned unprompted by Supplier after fulfilment of the Order and only to us, and any copies shall be destroyed (except only to what is required to be kept by law).

INFORMATION AND RETENTION OF RECORDS

29. Supplier shall inform Texon at least four weeks in advance in writing of any process and/or quality-relevant changes of any Deliverable, any Specifications or the production process (including without limitation relocation to another manufacturing place, a change of the raw material basis, and new test results). Supplier will also promptly inform Texon in respect of any:
- a. use of external providers or subcontractors (such without prejudice to clause 3);
 - b. Defect Deliverables, nonconforming processes or any breach of any Order or these T&C;
 - c. test specimens for design approval, inspection/verification, investigation, or auditing;
 - d. conduct by Supplier or its Related Parties that may negatively impact on Texon's image, goodwill and reputation; and
 - e. breach of data protection laws, security breaches, or unauthorized access to privileged or confidential information.
30. Supplier shall at all times keep complete and accurate books and records relating to the performance of the Orders (including test results), and it shall retain such books and records for such period as may be specified in the Texon purchasing documents, otherwise for a minimum of 10 years. Supplier shall provide all information required by Texon for Supplier onboarding, creation of profiles and Supplier benchmarking.

COMPLIANCE

31. Supplier shall at all times comply, and certifies that it currently complies, with all applicable laws, regulations, and standards, including but not limited to those relating to material compliance, environmental compliance, a valid license for waste handling and

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transportation, documentation related to hazardous goods handling, employee protection, export and import control and product safety, including the manufacturing, transportation, worldwide use and delivery thereof.

32. The Supplier shall ensure that for EU deliveries, the actual requirements of the Decree (EG) 1907/2006 regarding the registration, evaluation, approval and limitation of chemical materials (REACH) in its actually valid version are met in time for all Deliverables and that the Supplier will observe any duty to inform which is specified in the above mentioned decree. Supplier shall provide necessary documentation and support operations required for the full compliance with REACH requirements or if any Deliverable contains Substance of Very High Concern (SVHC).
33. Supplier shall at all times, and shall upon request provide Texon with a written confirmation thereof, comply with the most recent version of the following:
 - a. Texon's Restricted Substance Policy, including the most recent restricted substances list ("**Substances Policy**");
 - b. Texon's Code of Conduct for Texon Business Partners ("**Code of Conduct**").
34. Due to specific nature of Texon's business, Supplier shall ensure:
 - a. compliance with the regulations establishing permitted levels of chemical substances present in goods and full disclosure of all information, irregularities and possible violations of declared levels;
 - b. a disclosure of test results and periodic verification of the substances present in the Deliverables, especially against the Substances Policy available and updated periodically; and
 - c. preparation and execution of the quality control procedures that enable verification of the product specification of the Deliverables, its compliance with the applicable legal and regulatory framework, as well as identification of possible defects and defective materials supplied to Texon.
35. Supplier shall comply with all laws and regulations regarding working conditions (including on minimum employment age, prohibition of child and forced labour, prevention of accidents, prohibition of discrimination, and minimum wages). Supplier shall refrain from any action involving fraud or breach of trust, bankruptcy, antitrust, profiteering, bribery or other corruption offenses of persons or third parties employed by Supplier. Supplier will also contractually obligate its business partners to comply with these obligations. Supplier will carry out regular inspections of its subcontractors regarding compliance herewith and the Code of Conduct. Upon request, Supplier will provide Texon with appropriate evidence.

CONFIDENTIALITY

36. Supplier shall not disclose Confidential Information, except to employees, affiliates, agents, or professional advisors who need to know it for the purpose of an Order or preparing a quotation for Texon and who have a legal obligation to keep it confidential, provided that Supplier shall be liable for any breaches of confidentiality by any of these persons. Supplier will use the Confidential Information only to prepare quotations for Texon, exercise rights and fulfil obligations under the Orders, or disclose it when legally compelled by a court or other government authority.
37. "**Confidential Information**" means information that Texon discloses to Supplier or any of its Related Parties under or in relation to any Order or potential Order, and that is marked as confidential or would normally be considered confidential information under the circumstances, including without limitation information about products, volumes, schedules, processes and prices, financial information and any information made available to Supplier or any of its Related Parties during communications, exchange of documents or visits to Texon premises (including any information disclosed prior to an Order, even if ultimately no Order is concluded).

INDEMNITY

38. SUPPLIER SHALL INDEMNIFY AND HOLD HARMLESS TEXON AND ITS RELATED PARTIES FROM ANY AND ALL LOSSES, DAMAGES, EXPENSES (INCLUDING REASONABLE LEGAL FEES), COSTS, FEES,

CHARGES, PENALTIES, CLAIMS, JUDGEMENTS, ACTIONS AND PROCEEDINGS INCURRED BY TEXON OR ANY OF ITS RELATED PARTIES ARISING FROM OR RELATED TO ANY OF THE FOLLOWING: (I) ANY BREACH BY SUPPLIER OF ANY COVENANT, OBLIGATION, REPRESENTATION OR WARRANTY IN ANY ORDER, THESE T&C OR ANY OTHER AGREEMENT BETWEEN THE PARTIES, (II) ANY FRAUD, NEGLIGENCE, MISCONDUCT OR BREACH OF APPLICABLE LAWS BY SUPPLIER OR ANY OF ITS RELATED PARTIES, (III) ANY CLAIM THAT ANY DELIVERABLE IS UNSAFE, ILLEGAL OR VIOLATES OR INFRINGES ANY THIRD PARTY'S RIGHTS (INCLUDING INTELLECTUAL PROPERTY RIGHTS), (IV) ANY THIRD PARTY CLAIMS REGARDING ANY DELIVERABLE (INCLUDING END-USER AND PRODUCT LIABILITY CLAIMS), OR (V) A RECALL OF ANY DELIVERABLE (OR PART THEREOF) BY ANY GOVERNMENTAL AUTHORITY, TEXON, ITS CUSTOMER OR SUPPLIER.

MISCELLANEOUS

39. Supplier shall cause each of its affiliated companies, and its and their respective shareholders, directors, officers, employees, (sub)contractors, agents and any other person under its control (together, "**Related Parties**") to comply with the terms of each Order, these T&C and any other agreement between the Parties as if such Related Party itself would be a party thereto together with, or instead of, Supplier.
40. Modifications, amendments and cancellation of any Order or these T&C must be in writing (including any waiver of the written form requirement). All notices must be in English, in writing, and addressed to the other Party's primary contact. Notice can be by email and will be treated as given on receipt. Should a provision of an Order or these T&C be or become invalid or unenforceable, the validity of the remaining provisions will not be affected, and an alternate regulation that comes as close as possible to the objective aimed at by the invalid or unenforceable provision shall take the place of the invalid provision. This applies mutatis mutandis in the event of a contractual gap.
41. No Order, nor these T&C create a relationship of agency, partnership, joint venture or employment between the Parties. Neither Party will be deemed having waived any rights by not, or by the delay of, exercising any rights under an Order or these T&C. Supplier shall not assign or transfer its rights or obligations under any Order or these T&C, and any attempt to do so is void. Texon may assign or transfer any of its rights or obligations under any Order or these T&C to an affiliate.
42. Each and any Order, these T&C and any other agreement or relationship between the Parties, and any dispute or claim arising out of or in connection therewith, or its subject matter or formation (including non-contractual disputes or claims) ("**Dispute**"), shall be governed and construed in accordance with the laws of the jurisdiction of incorporation of the Texon legal entity acting as purchaser under the relevant Order (or in absence thereof, the Texon entity receiving, making enquiries about or discussing the actual or potential supply of Deliverables, or in absence thereof, Texon International Group Limited) ("**Texon Contracting Entity**").
43. The Parties irrevocable agree to submit any Dispute to the exclusive jurisdiction of the competent courts at the location of the Texon Contracting Entity, except that the foregoing shall not apply in case the Texon Contracting Entity is based in India, in which case the Parties hereby irrevocable agree that (a) any Dispute shall be referred and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted, and (b) the law of this arbitration clause shall be Hong Kong law, the seat of arbitration shall be Hong Kong, the number of arbitrators shall be one and the arbitration proceedings shall be conducted in English.
44. The UN Convention on Contracts for the International Sale of Goods (CISG/Vienna Sales Convention) is hereby excluded. The place of performance of each Order shall be the place of business of the Texon Contracting Entity.