

RENOLD (CHINA) TRANSMISSION PRODUCTS CO., LTD. ("RENOLD")
TERMS AND CONDITIONS OF PURCHASE OF GOODS AND SERVICES

1 Interpretation

Contract: the Order and the Seller's acceptance of the Order in accordance with these terms and conditions.

Goods: any goods agreed in the Contract to be bought by Renold from the Seller (including any part or parts of them).

Order: Renold's written instruction to buy the Goods and/or the Services, incorporating these conditions.

Sanctions: any national or international laws or regulations relating to economic, financial, trade, or other sanctions, export controls, trade embargoes or restrictive measures from time to time imposed, administered, or enforced by a Sanctions Authority, save that nothing in this agreement is intended to require any party to steps which would cause or create a risk of liability under the EU Blocking Regulation or the UK Protection of Trading Interests Legislation.

Sanctions Authority: the United Kingdom (UK), the United States of America (US), the European Union (EU), the United Nations (UN), the People's Republic of China (PRC) and any other governmental authority with jurisdiction over each of the parties or any part of their business or operations, or their subcontractors used in the performance of this agreement, including their respective governmental, judicial or regulatory institutions, and authorities, including but not limited to the UN Security Council, HM's Treasury, the UK's Office of Financial Sanctions Implementation and Department of International Trade, the US Office of Foreign Assets Control (OFAC) and Ministry of Commerce of PRC.

Sanctions List: means OFAC's "Specially Designated Nationals and Blocked Persons List", the EU's "Consolidated Financial Sanctions List", the EU Annex XIX of Regulation (EU) No 833/2014, the UK's Consolidated List of Financial Sanctions Targets, the United Nations Security Council Consolidated List, or PRC List of Unreliable Entities or any other similar sanctions list of persons and entities subject to a prohibition to transact with, that is developed, maintained and published by any Sanctions Authority in connection with Sanctions, in each case as amended, supplemented or substituted from time to time.

Sanctions Target: means any person from time to time who is:

- (a) listed on a Sanctions List, either explicitly or by virtue of being included within a group or class of persons that has itself been targeted; or
- (b) directly or indirectly owned more than 50% or controlled (as such terms, including any applicable ownership and control requirements, are defined and construed in Sanctions or in any related official guidance) by, or acting on behalf or at the direction of, a person as referred to in paragraph (a) above or by a government targeted by Sanctions; or
- (c) otherwise the target of Sanctions (including, without limitation, by reason of ownership, control or agency (in accordance with the relevant Sanctions) or connections with any other person that is the target of Sanctions) that prohibit or restricts them from entering into the Contract.

Sanctions Proceedings: any actual or threatened litigation, enforcement, settlement, regulatory proceedings, and/or investigation, inquiry, enforcement action by any governmental, judicial, or regulatory authority in connection to any actual or alleged contraventions of Sanctions, Sanctions regulations, laws, or principles.

Seller: the person, firm or company who accepts Renold's Order.

- Services: any services agreed in the Contract to be bought by Renold from the Seller.
- 1.1 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
 - 1.2 A reference to one gender includes a reference to the other gender.
 - 1.3 Condition headings do not affect the interpretation of these conditions.
 - 1.4 A reference to "writing" or "written" includes faxes and emails.

2 Application of terms

- 2.1 Subject to any variation under condition 2.4, these conditions are the only conditions upon which Renold is prepared to deal with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.
- 2.2 The Seller's quotation constitutes an offer by the Seller to supply the Goods and/or Services set out in the quotation to Renold on these conditions. The Contract will be formed when Renold accepts the quotation by issuing the Order to the Seller or the Seller does not raise any specific objection in writing to the Order issued by Renold which contain any terms and conditions substantially different from those under the Seller's quotation and proceeds with the supply of the Goods and/or Services. For the avoidance of doubt, Renold is under no obligation to accept the quotation.
- 2.3 In the event that there is any discrepancy between the Seller's quotation, acknowledgement or acceptance of order, specification or similar document and Renold's Order or these Terms and Conditions, Renold's Order and this Terms and Conditions shall prevail.
- 2.4 No officer, employee or agent of Renold has authority to contract on any conditions other than these conditions nor to amend vary or waive these conditions or to make any binding representation or warranty in respect of the Goods and/or Services otherwise than in writing with the express authority of Renold.

3 Quality and defects

- 3.1 The Supplier warrants to Renold that the Goods shall be of the best available design, of the best quality, material and workmanship, be new and fit for any purpose held out by the Seller or made known to the Seller by Renold, be without fault and conform in all respects with the Order and specification and/or patterns supplied or advised by Renold to the Seller.
- 3.2 The Supplier warrants to Renold that:

- 3.2.1 the Supplier will perform the Services with reasonable care and skill and in accordance with generally recognised commercial practices and standards in the industry for similar services;
- 3.2.2 the Services will conform with all descriptions and specifications provided to Renold by the Supplier; and
- 3.2.3 the Services and the Goods (including any labelling on the Goods) will comply with and be provided in accordance with all applicable legislation from time to time in force, and the Supplier will inform Renold as soon as it becomes aware of any changes in that legislation.
- 3.3 Renold's right under these conditions are in addition to the statutory conditions implied in favour of Renold.
- 3.4 At any time prior to delivery of the Goods to Renold, Renold shall have the right to inspect and test the Goods at all times.
- 3.5 If the results of such inspection or testing cause Renold to be of the opinion that the Goods do not conform or are unlikely to conform with the Order or to any specifications and/or patterns supplied or advised by Renold to the Seller, Renold shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition Renold shall have the right to require and witness further testing and inspection.
- 3.6 Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.
- 3.7 If any of the Goods and/or Services fail to comply with the provisions set out in conditions 3.1 to 3.3, Renold shall be entitled to avail itself of any one or more remedies listed in conditions 4 or 12.

4 Indemnity

- 4.1 The Seller shall keep Renold indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by Renold as a result of or in connection with:
 - 4.1.1 defective workmanship, quality or materials;
 - 4.1.2 an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods and/or Services; and
 - 4.1.3 any claim made against Renold in respect of any liability, loss, damage, injury, cost or expense sustained by Renold's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods and/or Services as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Seller.
 - 4.1.4 Any other losses incurred by Renold as a result of a direct or indirect breach, negligent performance, failure or delay in performance of the terms of the Contract by the Seller.

5 Delivery

- 5.1 The Goods shall be delivered, carriage paid, and/or the Services provided at Renold's place of business or to such other place of delivery as is agreed by Renold in writing prior to delivery of the Goods and/or provision of the Services (the "Delivery Location").
- 5.2 The date for delivery of the Goods and/or provision of the Services shall be specified in the Order, or if no such date is specified then delivery shall take place within 28 days of the Order.
- 5.3 The Seller shall provide Renold with the invoice (Fapiao) upon, but separately from, despatch of the Goods and/or provision of the Services to Renold.
- 5.4 The Seller shall ensure that each delivery is accompanied by a delivery note which shows, among other things, the Order number, date of Order, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.
- 5.5 Time for delivery of the Goods and/or provision of the Services shall be of the essence.
- 5.6 Unless otherwise stipulated by Renold in the Order, deliveries shall only be accepted by Renold in normal business hours.
- 5.7 If the Goods are not delivered and/or the Services not provided on the due date then, without prejudice to any other rights which it may have, Renold reserves the right to:
 - 5.7.1 cancel the Contract in whole or in part;
 - 5.7.2 refuse to accept any subsequent delivery of the Goods and/or provision of the Services which the Seller attempts to make;
 - 5.7.3 recover from the Seller any expenditure reasonably incurred by Renold in obtaining the Goods and/or Services in substitution from another supplier; and
 - 5.7.4 claim damages for any additional costs, loss or expenses incurred by Renold which are in any way attributable to the Seller's failure to deliver the Goods and/or provide the Services on the due date.
- 5.8 If the Seller requires Renold to return any packaging material to the Seller that fact must be clearly stated on any delivery note delivered to Renold and any such packaging material shall only be returned to the Seller at the cost of the Seller.
- 5.9 Where Renold agrees in writing to accept delivery by instalments the Contract shall be construed as a single contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle Renold at its option to treat the whole Contract as repudiated.

5.10 If the Goods are delivered to Renold in excess of the quantities ordered Renold shall not be bound to pay for the excess and any excess shall be and shall remain at the Seller's risk and shall be returnable at the Seller's expense.

5.11 Renold shall not be deemed to have accepted the Goods and/or Services until it has had thirty days to inspect them following delivery or provision thereof. Renold shall also have the right to reject the Goods and/or Services as though they had not been accepted for fourteen days after any latent defect in the Goods and/or Services has become apparent.

5.12 Delivery of the Goods shall be completed on the completion of the unloading of the Goods at the Delivery Location.

6 Risk/property

The Goods shall remain at the risk of the Seller until delivery to Renold is complete, in accordance with condition 5.12 (including off-loading and stacking) when ownership of the Goods shall pass to Renold.

7 Price

7.1 The price of the Goods and/or Services shall be stated in the Order and unless otherwise agreed in writing by Renold shall be inclusive of value added tax (or its equivalent) and/or all other charges.

7.2 No variation in the price nor extra charges shall be accepted by Renold.

8 Payment

8.1 Renold shall pay the price of the Goods and/or Services within sixty days of delivery of the Goods and/or provision of the Services to Renold, but time for payment shall not be of the essence of the Contract.

8.2 Without prejudice to any other right or remedy, Renold reserves the right to set off any amount owing at any time from the Seller to Renold against any amount payable by Renold to the Seller under the Contract, whether such amounts are present or future, liquidated or unliquidated.

8.3 The Seller is not entitled to suspend deliveries of the Goods and/or provision of the Services as a result of any sums being outstanding.

9 Confidentiality

The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by Renold or its agents and any other confidential information concerning Renold's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Seller's obligations to Renold and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.

10 Renold's property

Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by Renold to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods or provision of the Services shall at all times be and remain the exclusive property of Renold but shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to Renold and shall not be disposed of other than in accordance with Renold's written instructions, nor shall such items be used otherwise than as authorised by Renold in writing.

11 Termination

11.1 Renold shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and Renold shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.

11.2 Renold shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:

11.2.1 the Seller commits a material breach of any of the terms and conditions of the Contract; or

11.2.2 any distress, execution or other process is levied upon any of the assets of the Seller; or

11.2.3 the Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or merger, or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a qualifying floating charge holder (as defined in Article 396 of PRC Civil Code), or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the granting

of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller; or

11.2.4 any event occurring, or proceeding being taken, with respect to the Seller in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in conditions 11.2.2 or 11.2.3; or

11.2.5 the Seller ceases or threatens to cease to carry on its business; or

11.2.6 the financial position of the Seller deteriorates to such an extent that in the opinion of Renold the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.

11.2.7 The Seller repeatedly breaches any of the terms of the Contract in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of the Contract.

11.3 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of Renold accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

12 Remedies

Without prejudice to any other right or remedy which Renold may have, if any Goods and/or Services are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract Renold shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods and/or Services have been accepted by Renold:

12.1 to rescind the Order;

12.2 to reject the Goods and/or Services (in whole or in part) and, in the case of the Goods, return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned and/or Services so rejected shall be paid forthwith by the Seller;

12.3 at Renold's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods and/or Services or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;

12.4 to refuse to accept any further deliveries of the Goods and/or provision of Services but without any liability to the Seller;

12.5 to carry out at the Seller's expense any work necessary to make the Goods and/or Services comply with the Contract; and

12.6 to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

13 Assignment

13.1 The Seller shall not be entitled to assign, transfer, mortgage or subcontract the Contract or any part of it without the prior written consent of Renold.

13.2 Renold may assign, transfer, mortgage or subcontract the Contract or any part of it to any person, firm or company.

14 Force majeure

14.1 Renold reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of Renold including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

15 Anti-corruption

15.1 The Seller will, and will procure that its officers, employees, agents and any other persons who perform services for the Seller or on the Seller's behalf in connection with the Contract will:

15.1.1 not commit any act or omission which causes or could cause Renold or the Seller to breach, or commit an offence under, any laws relating to anti-bribery and/or anti-corruption;

15.1.2 comply with Renold's anti-corruption policy as updated from time to time;

15.1.3 keep accurate and up to date records showing all payments made and received and all other advantages given and received in connection with the Contract and the steps taken to comply with this Condition, and permit Renold to inspect those records as reasonably required.

15.1.4 Promptly notify Renold of:

15.1.4.1 any request or demand for any financial or other advantage received by the Seller; and

15.1.4.2 any financial or other advantage the Seller give or intend to give whether directly or indirectly in connection with the Contract; and

15.1.5 promptly notify Renold of any breach of this Condition.

15.1.6 Renold may terminate the Contract immediately by giving written notice to that effect to the Seller if the Seller is in breach of Condition 15.1.

15.1.7 The Seller shall indemnify Renold against all losses, liabilities, costs, damages and expenses that Renold does or will incur or suffer, all claims or proceedings made, brought or threatened against Renold by any person and all losses, liabilities, costs (on a full indemnity basis), damages and expenses Renold does or will incur or suffer as a result of defending or settling any such actual or threatened claim or proceeding, in each case arising out of or in connection with

any breach of any of the Seller's obligations under Condition 15.1 (including any failure or delay in performing, or negligent performance or non-performance of, any of those obligations), including the costs of procuring the Goods and/or Services from a person other than the Seller (including the costs of interim service provision, the costs of any re-tender and the amount by which any new service provider's prices exceed the prices and charges payable to the Seller under the Contract). The Seller will have no liability to Renold under this Condition for any loss, liability, cost, damage, expense, claim or proceeding to the extent that it would not have been incurred or suffered but for Renold's criminal liability.

15.1.8 The Seller shall indemnify Renold against all losses, liabilities, costs, damages and expenses that Renold does or will incur or suffer, all claims or proceedings made, brought or threatened against Renold by any person and all losses, liabilities, costs (on a full indemnity basis), damages and expenses Renold does or will incur or suffer as a result of defending or settling any such actual or threatened claim or proceeding, in each case arising out of or in connection with any proceedings under section 7 Bribery Act 2010, PRC Anti-Unfair Competition Law or other applicable PRC laws and regulations being brought against Renold as a result of the Seller's conduct or the conduct of any of the Seller's officers, employees, agents or any other persons who perform services for or on the Seller's behalf in connection with the Contract, where such proceedings do not result in a conviction against Renold, including the costs of procuring the Goods and/or Services from a person other than the Seller (including the costs of interim service provision, the costs of any re-tender and the amount by which any new service provider's prices exceed the prices and charges payable to the Seller under the Contract).

16 Sanction

16.1 The Seller shall ensure that its subsidiaries (including any entities controlled, or wholly or partially owned by it), as well as its agents or any third party acting on its behalf, will not contravene any Sanctions, including but not limited to dealing with Sanctioned Targets, transacting in a way that breaches Sanctions, or acting in any way which could cause Renold to directly or indirectly breach Sanctions.

16.2 The Seller undertakes that neither it nor any of its subsidiaries (including any entities controlled, or wholly or partially owned by it), its agents or any third party acting on its behalf:

16.2.1 is a Sanctions Target; and/or

16.2.2 is subject to any Sanctions Proceedings.

16.3 The Seller will implement adequate policies and procedures to ensure compliance with Sanctions.

16.4 The Seller shall notify Renold immediately if the Seller breaches any conditions in this clause 16, including but not limited to clause 16.1, the undertakings in clause 16.2 by becoming a Sanctions Target or by being subject to any Sanctions Proceedings, and/or clause 16.3.

16.5 If Renold, acting reasonably, considers the Seller to have breached any of the conditions in this clause 16:

16.5.1 Renold may at its absolute discretion and without affecting any other right or remedy available to it, including but not limited to claiming damages, terminate the Contract with immediate effect by written notice to the Seller, and the Seller shall waive any rights or claims under the Contract against Renold;

16.5.2 Renold may separately take any action in the reasonable belief that the act is in compliance with Sanctions; and

16.5.3 the Seller shall so far as is permissible by law indemnify Renold as to any and all losses in connection to such breach and any legal and other costs incurred in connection to any Sanctions Proceedings against Renold in connection to such breach.

17 Data Protection

The Seller shall comply with applicable data protection laws, comply with commercial ethics and professional ethics, follow the principles of lawfulness, legitimacy, necessity, and good faith, perform the obligations of data security protection adequately, and shall not endanger national security, public interests, or damage the legitimate rights and interests of any individual or organization.

18 General

18.1 Each right or remedy of Renold under the Contract is without prejudice to any other right or remedy of Renold whether under the Contract or not.

18.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

18.3 Failure or delay by Renold in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.

18.4 Any waiver by Renold of any breach of, or any default under, any provision of the Contract by the Seller shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.

18.5 The parties to the Contract do not intend that any term of the Contract shall be enforceable by any person that is not a party to it.

18.6 Nothing in the Contract and no action taken by the parties in connection with it will create a partnership or joint venture between the parties or give either party

authority to act as the agent of or in the name of or on behalf of the other party or to bind the other party or to hold itself out as being entitled to do so.

18.7 The Contract constitutes the entire agreement between the parties and supersedes any prior agreement or arrangement in respect of its subject matter and Seller has not entered into the Contract in reliance upon, and it will have no remedy in respect of, any misrepresentation, representation or statement (whether made by Renold or any other person) which is not expressly set out in the Contract. The only remedies available for any misrepresentation or breach of any representation or statement which was made prior to entry into the Contract and which is expressly set out in the Contract will be for breach of contract. Nothing in this condition will be interpreted or construed as limiting or excluding the liability of any party for fraud or fraudulent misrepresentation.

18.7 This Contract is written in both Chinese and English. In the event of any inconsistency between the two language versions, the English version shall prevail.

18.8 This Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of PRC, and the parties submit to the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with the Arbitration Rules of the CIETAC (or any similar successor rules thereto) as are in force on the date when a notice of arbitration is received. The number of arbitrators will be three. Each of Renold and Seller will appoint one arbitrator of its choice, with the presiding arbitrator to be appointed by the CIETAC. The language to be used in the proceedings will be Chinese and English, with fees and expenses incurred by either party in connection with the translation during the arbitration proceedings to be part of the costs and expenses of arbitration. The place of arbitration will be Shanghai. The fees and costs of the proceedings and any damages will be allocated and paid by the parties as determined by the arbitrators. Arbitration is the exclusive remedy and neither Renold nor Seller will attempt to adjudicate the matter in any other manner or forum. The decision of the arbitrators will be final and binding on the parties, and the decision will be enforceable through any court of competent jurisdiction.