

General Conditions

1. Application

These general terms and conditions of purchase (these "Conditions") shall apply to, and be reflected in, each Contract and/or Order placed by Bayer (China) Limited or any its affiliates in China ("Bayer") with the Supplier for the purchase of Goods (such Contract, the "Contract" and such Order, the "Order"). Unless otherwise specifically consented by Bayer in writing, these Conditions shall replace any terms or conditions of purchase of Goods stipulated by the Supplier. For the avoidance of doubt, in these Conditions, a "Contract" means the agreement or Contract concluded by Bayer and the Supplier for the purchase of Goods and pursuant to which Orders may be placed, as well as each individual agreement or Contract concluded under the Order. If there is any discrepancy between these Conditions and the Contract, the Contract shall prevail; the matters not stated in the Contract shall be subject to these Conditions.

2. Offer

The Supplier shall propose the quotation fully in accordance with the quantities and qualities in Bayer's inquiry (for details, see related quotations Bayer has confirmed), and any departure therefrom shall be expressly stated. The Supplier shall propose the quotation free of charge and shall not impose any illegal obligation on Bayer.

3. Warranties

The Supplier represents and warrants to Bayer that:

- 3.1. The Supplier has the full capacity to enter into the Contract and/or the Order as a party thereto and perform all its obligations thereunder;
- 3.2. The coming into force and performance of the Contract and/or the Order are within the legitimate business scope of the Supplier; and
- 3.3. The person who signs the Contract and/or the Order on behalf of the Supplier is the legal representative of, or the person duly authorized by the Supplier.
- 3.4. The Supplier owns the goods with free and clear of encumbrances of any kind.
- 3.5. The Supplier shall not provide any personal benefits including but not limited to any bonus points to Bayer employees.

4. Order

Bayer's Orders and alterations to Orders shall be made in writing. Verbal arrangements or arrangements discussed over the phone shall not be legally binding unless confirmed by Bayer in writing.

5. Delivery

- 5.1 The period of delivery shall either commence from the date of the Contract and/or the Order or shall be as specified in the Contract and/or the Order. The Supplier must comply with the delivery terms specified in the Contract and/or the Order and time shall be of the essence in the performance by the Supplier of the Contract and/or the Order. If the Supplier has reason to assume that he will not be able to meet or meet in time, all or part of his Contractual obligations, he shall notify Bayer thereof immediately, stating the reasons and the likely duration of the delay.
- 5.2 The Supplier shall make no extra charge for delivery of the goods. If the goods are delivered later than the agreed date of delivery (except for that caused by force majeure as specified in Condition 19 below), the Supplier shall pay to Bayer liquidated damages equal to [0.3%] of the total price for the undelivered goods per day, calculated from the agreed date of delivery until the date of actual delivery. If the goods are delivered more than [five (5)] days after the agreed date of delivery, Bayer has the right, but is not obliged, to refuse delivery and treat the Contract and/or the Order as rescinded.

6. Quality, quantity and descriptions

- 6.1. The Supplier warrants that the goods are of satisfactory quality and free from defect, meet the specifications as to quantity, quality and description set out or referred to in the Contract and/or the Order and any other information or instructions specified to the Supplier, and satisfy all applicable statutory or industry standards.

For the details on quantity, quality and description of goods, please see the related articles of the Contracts, Order and other related clauses of the documents affirmed by Bayer in writing beforehand.

6.2. The above warranties are in addition to those implied by or available at any applicable law, and will continue in force notwithstanding the acceptance by Bayer of all or part of the goods to which those warranties apply.

7. Acceptance of Goods

7.1. The goods are subject to inspection and testing by Bayer. In the event that the specification or quality of the goods is not in compliance with the Contract and/or the Order, Bayer has the right to repair such goods at the expense of the Supplier or reject such goods. Before taking such action, Bayer shall send a written notice to the Supplier specifying the defect and Bayer's suggested action. The Supplier shall respond to the notice within ten (10) days of the date of the notice, otherwise it will be treated as having accepted Bayer's claim and suggested action.

7.2. If Bayer rejects the goods, it shall return the rejected goods to the Supplier at the Supplier's risk and expense. In that case, the Supplier shall within a reasonable time replace the rejected goods with goods which are in all respects in accordance with the Contract and/or the Order.

7.3. If Bayer rejects the goods, Bayer has the right to purchase replacement goods from another source. Any money paid by Bayer to the Supplier in respect to the rejected goods, together with any additional expenditure over and above the original price for the rejected goods reasonably incurred by Bayer in obtaining replacement goods, shall be paid by the Supplier to Bayer.

8. Liability for Breach

If the Supplier breaches the Contract, it shall pay damages to Bayer. If the damages are not sufficient, Bayer shall be entitled to other remedies. If Bayer demands continued performance of the Contract and/or the Order, the Supplier shall continue to perform. The agreement of this article shall not affect the validity of the liability for breach of Contract between the parties in other terms.

9. Indemnity

The Supplier shall indemnify Bayer against any loss, liability and cost directly or indirectly arising from or consequential upon :

- (a) alleged or actual infringement of any patent, trademark, copyright and any other intellectual rights or license, other right of a third party resulting from the purchase, use or resale by Bayer of the goods; or
- (b) any act or omission in the performance of or in connection with the obligations undertaken by the Supplier pursuant to the Contract and the Order, except for any liability or cost arising from the willful misconduct and negligence of Bayer.

10. Insurance

The Supplier shall insure the goods for their full value with a reputable insurance company until they have been delivered to Bayer.

11. Packaging

The Supplier shall at its own expense package and label the goods in a manner suitable for transit and storage in accordance with the Contract and/or the Order.

12. Title and Risk

Unless otherwise stipulated in the Contract and/or the Order, the title and the risk for the goods shall be passed to Bayer upon that the goods has been delivered from the Supplier to Bayer and a representative appointed by Bayer has executed the delivery documents.

13. Payment

13.1. Bayer shall pay only the price for the goods specified in the Order. Unless otherwise agreed in writing by the parties, the price shall include all fees, charges, expenses and costs, both direct and indirect, for supplying the goods pursuant to the Order, and include any applicable value-added tax and other taxes, levies and customs duties.

13.2. Bayer may deduct from any monies due or becoming due to the Supplier any monies due from the Supplier to Bayer.

13.3. Bayer shall, unless otherwise stated in the Contract and/or the Order, pay the invoiced amount during the stipulated payment terms upon the special value-added tax invoice being received by Bayer. The Supplier shall ensure that the invoice or, if applicable, the value-added tax invoice relating to the Contract and/or the Order is received by Bayer within [seven (7)] days after the date of delivery of the goods.

14. Weight

The Supplier must adhere to the weight of the goods stated in the Contract and/or the Order, except for a tolerance of +/-5%. If, in case of a purchase weight, the Supplier has not officially weighed the goods through the railroad, then equivalent weighing has to be performed by Supplier.

15. Shipping Requirements

The Supplier shall always pack, mark and ship dangerous goods in compliance with the applicable national or international regulations. The accompanying documents shall state not only the risk category but also any further particulars required by the applicable regulations.

16. Documents

16.1. If the goods are sent by air-freight, the Supplier shall, prior to the goods arriving at Bayer's destination, provide to Bayer, by facsimile, a copy of the airway bill marked with the Contract and/or the Order number and with the words of either "freight prepaid" or "freight to collect" at the Supplier's location. If the goods are sent by air parcel post, the Supplier shall provide to Bayer the following documents: two copies of the air parcel post receipt addressed to Bayer, the invoice or, if applicable, the value-added tax invoice indicating the Contract and/or the Order number and setting out the details of the relevant Contract, two copies of the packing list issued by the Supplier, and the certificate of quality and quantity issued by the Supplier. If the goods are sent by ship, the Supplier shall provide shipping papers and the invoice or, if applicable, the value-added tax invoice stating the name of the shipping company and of the ship.

16.2. Without prejudice to the above, the Supplier shall provide at its own expense to Bayer all the documents that Bayer may reasonably request for the performance of the Contract and the Order.

17. Inspection and audit

17.1. During the term of the Contract and/or the Order and for a period of two (2) years thereafter, Bayer and/or its duly authorized third-party auditor chosen and paid by Bayer has the right to do the following at normal business hours and upon seventy-two (72) hour prior notice:

17.1.1. to have access to, and to inspect, examine, audit and copy (at no charge to Bayer) all books, records and all other documents and materials in the possession of or under the control of the Supplier which in the reasonable judgment of Bayer relate in any way to the Contract and/or the Order;

17.1.2. to interview key employees of the Supplier who performed the Services under the Contract and/or the Order; and

17.1.3. to enter the Supplier's facilities to conduct the above activities.

The Supplier shall provide full cooperation for Bayer to exercise the rights under this Clause 17.1, including without limitation, furnishing reasonably adequate workspace free of charge.

17.2. The Supplier shall, at its own cost and consistent with generally accepted accounting principles, maintain complete and accurate books and records covering all the activities and transactions arising out of, or relating to the performance of the Contract and/or the Order, including but not limited to the documents supporting entries to the Supplier's books of account, such as relevant time registers and third party expenses. The Supplier shall keep such books and records in a manner suitable for a complete and accurate inspection and audit. The Supplier shall keep all papers, correspondence, data, accounts, reports, records, receipts and other sources of information relating to the goods for at least two (2) years after completion of the Services.

17.3. If an audit reveals that the Supplier has overcharged Bayer, Bayer shall be entitled to an immediate refund of the overcharged amount. Bayer has the right to terminate the Contract and/or cancel the Order immediately, if any such audit reveals any Supplier's material breach of the Contract and/or the terms of the Order.

17.4. The Supplier shall, at the request of Bayer, provide reasonable financial information to Bayer on an annual basis to enable Bayer to evaluate the Supplier's long term financial stability.

17.5. Any exercise of the right by Bayer under this Clause 17 or any acceptance of any invoice or any payment thereof by Bayer shall not affect any other rights or remedies available to Bayer, nor preclude Bayer from

disputing the accuracy of any invoice or payment. The Supplier shall remain fully liable for any amount due under the Contract and/or the Order.

18. Confidentiality, Advertisement and Force Majeure

18.1. All information supplied by Bayer shall be treated as confidential and shall not be disclosed or used other than to satisfy the requirements of performing the Contract. The Supplier shall promptly return, when requested by Bayer, all written materials and drawings supplied.

18.2. Without the prior written consent of Bayer, the Supplier shall not by any means publicize or make it publicly known that the Supplier provides or will provide the goods to Bayer.

18.3. Without the prior written consent of Bayer, the Supplier shall not use any name, logo, trademark or brand of Bayer or an affiliate of Bayer, either alone or together with the Supplier's or its affiliate's name, logo, trade mark or brand or in any other manner.

18.4. The Supplier hereby acknowledges its full understanding and commitment that the Supplier shall strictly comply with all aspects of the applicable Compliance Standards and all substantially similar documents, which Bayer may release from time to time.

18.5. The Supplier hereby acknowledges its full understanding and commitment that the Supplier shall strictly comply with all aspects of the applicable Code of Conduct and all substantially similar documents, which Bayer may release from time to time. The current version of the Code of Conduct is posted on the following website:

<http://www.Supplier-code-of-conduct.bayer.com>

19. FORCE MAJEURE

19.1. The Supplier shall not be liable for any delay in shipment or non-delivery of goods due to a force majeure event, being an event which is beyond the control of the parties and which are unforeseeable or, if foreseen, unavoidable, such as war, serious fire, flood, typhoon or earthquake. The Supplier shall promptly notify Bayer of any force majeure event and, within fourteen (14) days thereafter, the Supplier shall send to Bayer for Bayer's acceptance a certificate issued by the competent government authorities evidencing the occurrence of the force majeure event.

19.2. During the period of the force majeure event, the Supplier shall take all necessary measures to facilitate the delivery of the goods. If, as a result of the force majeure event, delivery is delayed by more than five (5) days, Bayer shall have the right to rescind the Order.

20. Effectiveness and termination

20.1. The Contract and/or the Orders shall take effect upon affixation of the company seals or Contract seals of the Parties.

20.2. In any event Bayer is entitled to terminate the Contract or cancel the Order by thirty (30) days prior written notice.

21. Applicable laws and dispute resolution

21.1. The Supplier's employment shall comply with the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Law on Protection of Minors of the People's Republic of China, Provisions on Prohibition of Child Labor and other relevant laws and regulations, and shall not illegally recruit, or in the course of providing the Services or during any stage of performance of the Contract and/or the Order, illegally use minors under the age of 16.

21.2. The Contract and the Order shall be governed by the laws of the People's Republic of China. Any dispute arising out of or relating to the Order shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in Beijing in accordance with the arbitration rules of such commission then in force. The arbitral award shall be final and binding on the Parties.