

1. GENERAL

1.1 "MSD Optics Company Limited" shall be referred to as "MSD"

1.2 These general terms and conditions of sale apply to all contracts of sale concluded between MSD (the seller) and the customer. These general terms and conditions of sale, together with other written special terms and conditions mutually agreed upon, if any, constitute the contractual framework between MSD and the customer. The customer's purchase of goods from MSD represents acceptance of these general terms and conditions of sale. These general terms and conditions prevail over any terms and conditions of purchase of the customer, which are hereby expressly excluded. Amendment of these general terms and conditions can only be made with the written consent of both parties. No other oral or prior written arrangements made between the parties will form part of the contract unless expressly agreed by the parties in writing.

1.3 Any sale is subject to MSD's written confirmation of the order from the customer. Once the order confirmation is issued by MSD to the customer, the contract of sale between MSD and the customer is concluded. In the event that the customer makes an error while creating the order, e.g. error for product numbers, prices or sales conditions, the error may be modified by MSD and the order confirmation prepared by MSD may include the modifications required as a result of such errors. The customer must verify the order confirmation issued by MSD. Upon receipt of the order confirmation, the customer may only cancel the order within a period of 48 hours, if the order confirmation is not identical to the order initially placed by the customer. No other request for modification or cancellation of an order will be accepted. The order confirmation defines the mutual rights and obligations relating to, amongst other things, delivery of the goods. Delivery is strictly limited to the goods described in the order confirmation. Any variation must be confirmed in writing. The customer accepts and shall bear all costs resulting from any modification or cancellation requested after the conclusion of the contract.

1.4 MSD is not obliged to accept orders or fulfil contractual obligations in all cases of force majeure, production shutdown, reduction in production, strike, damage to the production plant, non- or late delivery by MSD's suppliers, measures taken by the government and other similar unforeseeable circumstances beyond reasonable control, as well as all consequences of such events and situations. Non-acceptance of orders or defaults in fulfilling existing contracts as a result of these circumstances do not entitle the customer (i) to cancel any order, (ii) to refuse to accept or pay for the goods, (iii) to receive any financial or commercial compensation, or (iv) to hold MSD liable in any event.

1.5 All information included in MSD's catalogues, prospectuses, rates and related sales documentation, including the prices and all details relating to delivery periods, are for information purposes only and are not binding upon MSD. MSD reserves the right to modify any such information at any time and without prior notification to the customer, except for technical files forming part of a sales contract.

1.6 Except when agreed otherwise in writing with the customer, all specifications, plans, blueprints and in general all data and documents which are provided to the customer in any form whatsoever, remain MSD's property and may not be reproduced or disclosed to third parties. If a sale is not concluded, all the aforementioned data and documents should be returned to MSD immediately.

1.7 The Contract is valid as an original signed document, hard copy or digital copy.

2. PRICES

2.1 MSD's prices are denominated in Euros, unless otherwise agreed between MSD and the customer. MSD is obliged to honor only the most recent prices quoted in MSD's latest quotation / price list which shall expire thirty (30) days after its date of issuance. The price list made available to the customer is based on payment in advance or payment against documents unless otherwise stated.

2.2 The prices are established on the basis of the current prices applicable at the time that the contract is concluded. If unforeseeable costs are incurred after conclusion of the contract, MSD reserves the right to adjust the prices to reflect the altered circumstances without notice.

2.3 MSD's prices are on FOB (Free On Board) or DDU (Delivered Duty Unpaid) basis. For FOB price, any other expenses beyond the free on board point, including packaging, transport, insurance, taxes customs duties, etc. are not included and are borne by the customer unless otherwise stated on the invoice." For DDU price, the selling cost of goods included all charges to deliver goods up to the door of consignee except duty or tax of importing country.

2.4 The Client shall pay to MSD fees at the rate specified in the Contract or Invoice.

2.4.1 Unless otherwise stated in the Contract, the Client shall bear all bank fees.

2.4.2 Unless otherwise stated in the Contract, the Client shall mention "Payment for goods" in the notes of the bank transaction.

2.4.3 The Client shall transfer the specified amount according to the precise bank information provided on the Invoice.

2.4.4 The Client shall send MSD the SWIFT payment receipt immediately after making payment.

2.4.5 All costs/damages that come forth from not abiding all points from clause 2.4 shall be borne by the Client.

3. DELIVERIES AND TRANSPORT

3.1 Under incoterm FOB, The goods shall be delivered to the customer on the basis of free on board at the loading port as agreed by the parties onto the vessel to be arranged by the customer. Notwithstanding any right of MSD to retain the supporting documents or to withhold delivery until full payment is received, all risks and liabilities with respect to the goods shall pass to the customer when the goods are on board at the said vessel. Under incoterm DDU, the MSD takes care of all necessary transportation, customs clearance charges, and shipping charges etc. at loading port and destination port inclusive of handling charges at port of loading and port of discharge.

3.2 MSD may use the order confirmation to inform the customer of the lead time for the delivery of the goods which have been ordered. MSD shall make reasonable effort to uphold the lead time; however, lead time information is provided as an estimation only and under no circumstances may MSD be held liable in the event of a failure to meet the estimated delivery time. MSD reserves the right to deliver the goods in lots by partial shipments.

3.3 Failure to meet the estimated delivery time does not entitle the customer (i) to cancel any order, (ii) to refuse to accept or pay for the goods, (iii) to receive any financial or commercial compensation, or (iv) to hold MSD liable in any event.

3.4 The customer cannot refuse any goods ordered except if (i) the goods delivered is not conform the order confirmation or (ii) a significant defect is found in the goods delivered. In the event that the customer refuses to accept an order, goods shall be stored at the customer's expense and risk pending MSD's final decision.

3.5 Except when agreed otherwise in writing with the customer, goods cannot be returned after delivered. Should MSD agree to accept return of the goods, it will be entitled to charge the customer an amount in proportion to the value and condition of the goods at the time of delivery, plus any direct and indirect costs incurred. If the customer returns goods unilaterally, MSD reserves the right to send these goods back again in the condition in which they are, at the customer's expense and risk, and claim against the customer for all losses and damages.

4. TERMS OF PAYMENT

4.1 Unless expressly agreed otherwise in writing, all invoices are payable net seven (7) days before the shipment date.

4.2 An early payment discount may be granted according to the early payment discount schedule listed on the invoice. Under no circumstances may the customer impose its own payment terms or discounts. The customer may by writing request for a deferral of payment

or partial settlement of due invoices. MSD shall have the sole discretion to decide whether to allow such deferral or partial settlement and the customer is not allowed to assert any objection to MSD's decision.

4.3 Interest will automatically be charged on the invoice sum upon failure to pay on the due date at the rate of 12% annually from the due date until payment in full. All costs incurred by MSD in respect of the collection of unpaid invoices will be borne by the customer. In addition, MSD will charge a late fee of 10% of the unpaid invoice sum as liquidated damages if the full invoice sum is not settled by the due date.

4.4 Should the customer's financial position deteriorate or if MSD is informed of any circumstances that, in MSD's sole view, MSD has the right to immediately collect all its pending payment from the customer, subject to all rights and notwithstanding all existing contracts, irrespective of any due date. Moreover, MSD will be entitled to cancel all outstanding orders.

4.5 Complaints concerning invoices must be received by MSD within 2 days of the invoice date by email or 7 days by registered letter. After this period, invoices are deemed to be accepted. After the said 7 days' period, the invoice will become conclusive document showing the customer's liability to pay.

5. TRANSFER OF RISK

5.1 MSD reserves the right to retain the supporting documents or to withhold delivery until the invoice or other receivables from current accounts have been settled in full. The customer is obliged to make these general terms and conditions enforceable upon its contracting parties who therefore undertake not to assert any rights or obligations in respect of MSD other than those laid down in these terms and conditions.

5.2 The customer will take care of the goods at the point of Free on Board. As from that point forward he will be responsible for any damage or loss. The risk shall pass to the customer from that moment, regardless of ownership. Under DDU terms the MSD's risk and responsibility end once the goods have been made available to the buyer at the named place of destination. MSD is not responsible for unloading the good and/or delivering the goods to any other destination.

5.3 If the customer fails to comply with any contractual obligation of any nature whatsoever, such as non-payment of invoices due, MSD will be entitled to reclaim the goods and the costs of transportation should also be borne by the customer.

6. PRODUCT LIABILITY – WARRANTY

6.1 MSD reserves the right to retain the supporting documents or to withhold delivery until the invoice or other receivables from current accounts have been settled in full. The customer is obliged to make these general terms and conditions enforceable upon its contracting parties who therefore undertake not to assert any rights or obligations in respect of MSD other than those laid down in these terms and conditions.

6.2 The customer is responsible for the safety of the goods sold in the customer's specific application as a result of misuse, accident, neglect, lack of monitoring or maintenance, or improper or incorrect installation, assembly, repair, alteration, modification, storage, transportation, delivery or handling on the part of the customer.

6.3 If the goods sold are delivered in lots which facilitate a statistical receiving quality inspection according to the usual principles applicable, this inspection must be performed upon receipt. Unless agreed otherwise, the inspection conditions and criteria in the relevant standard documents shall apply to the inspection. A lot accepted at this inspection shall be considered as free from defects. MSD shall replace a lot rejected at this inspection upon its return to MSD in full. MSD reserves the right, in consultation with the customer, to replace the defective parts of the rejected lot with parts without defects.

6.4 The customer shall immediately examine the goods upon receipt as to its completeness and report any visible defects immediately to MSD in writing. Hidden defects must be reported in writing immediately upon discovery. In any event, any such complaint or written notification must be made within 30 days upon the customer's receipt of the goods. MSD shall at its sole discretion decide whether to repair or replace such goods. The customer shall be deemed to have accepted the goods delivered free of any defects if no such complaint or written notification is received by MSD within 30 days upon the customer's receipt of the goods. After 30 days the customer receipt the goods there will be no warranty on the product.

6.5 MSD shall have the right to inspect the goods claimed to be defective and shall have the right to determine the cause of such alleged defect. MSD's warranty is limited to the replacement or repair, at MSD's option, free of charge and within a reasonable time, of goods which MSD acknowledges to be defective upon the receipt of the product/ container, provided that the transportation costs for spare parts and for sending the goods to and from MSD shall be borne by the customer.

6.6 All other complaints or demands for compensation or indemnification, other than those mentioned in this article, are excluded, irrespective of the legal or other grounds on which they are based.

6.7 All repairs rendered due to normal wear and tear of the goods misuse, accident, neglect, lack of monitoring or maintenance, or improper or incorrect installation, assembly, repair, alteration, modification, storage, transportation, delivery or handling on the part of the customer are not covered by MSD's warranty.

6.8 In the event that MSD is held to be liable for breach of its obligations to the customer, the compensation shall not exceed the purchase price of the goods in issue. MSD shall not be liable for any interest, loss of profit, loss of reputation or goodwill, legal costs, or other indirect, incidental, punitive, special or consequential losses or damages alleged to be suffered by the customer or at all.

7. MISCELLANEOUS

7.1 These terms and conditions are governed by and shall be construed in accordance with the laws of the People's Republic of China and MSD and the customer agree to submit to the exclusive jurisdiction of the courts of the People's Republic of China.

7.2 If at any time any one or more of the provisions of these terms and conditions is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions of these terms and conditions shall in any way be affected or impaired thereby.

7.3 MSD shall have the right to terminate the contract immediately at the customer's expense in the event of bankruptcy, insolvency, liquidation, cessation of activities, deterioration of financial position or reduction of creditworthiness on the part of the customer.

7.4 If a contract is concluded between MSD and several customers, they shall be jointly and severally liable towards MSD.

7.5 Unless otherwise explicitly set forth herein, any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally by hand, or set by reputable overnight courier, signature required, to the addresses of each Party set forth by both Parties or to such other address as shall be designated in writing in the same matter.

7.6 Any Notice sent by mail shall be deemed to have been duly served seven working days after the date of posting. Any Notice sent by telex facsimile or other electronic means shall be deemed to have been duly served at the time of transmission.

7.7 All products remain MSD's exclusive property until the invoice(s) or other receivables from current accounts have been settled in full. The customer is obliged to make these conditions enforceable upon its contracting parties who therefore undertake not to assert any rights or obligations in respect of MSD other than those laid down in these conditions.