

General Terms and Conditions - Export Sale

1. GENERAL:

The terms specified below shall apply to any quotation or other proposal by ZT International Limited (hereinafter: "ZT") for the sale of goods (hereinafter: "Goods") and to any sale of Goods or other transaction with respect thereto by ZT except where the final shipping destination of the subject matter Goods is within the borders of China.

An order of Goods shall not be binding on ZT unless such order is approved in writing by both ZT and the buyer (hereinafter: "Buyer") (hereinafter: "Order"). ZT's acceptance of Buyer's Orders is expressly contingent upon these Terms and Conditions of Sale, and ZT expressly rejects any conditions of Buyer's purchase Order.

This agreement and the attachments hereto constitute the full and complete agreement with respect to the terms and conditions of any sale between the Buyer and ZT, and cannot be changed or terminated orally. Any change shall not be valid unless made in writing and signed by the Parties.

2. SHIPPING TERMS:

The shipping terms of the Goods are FCA Shanghai, China, unless otherwise determined, in writing, between the Parties.

3. TRANSFER OF RISK:

Notwithstanding the aforesaid, liability for the Goods shall be transferred to the Buyer at the port of shipment, and thereafter, the Buyer shall bear in full liability for the Goods, including in respect of any damage and/or loss to the Goods during shipment, and ZT shall not be liable for any loss or damage to the Goods during transportation. Without derogating from that stated above, the Goods shall remain in the sole ownership of ZT, until the full payment in respect thereof. For the removal of doubt, full payment as aforesaid means the actual receipt by ZT of the applicable payment, without any lien, set off or counter-claim.

4. EXPENSES:

Buyer shall be solely responsible for any expenses such as duties, taxes, fees and other charges outside the country of origin.

5. LICENSE:

Buyer shall be responsible for obtaining all import licenses, permits and documentation as necessary for import into Buyer's country of operation. ZT shall not be responsible for delays caused by Buyer's failure to obtain the necessary documentation prior to shipment.

6. DIVERSIONS:

Buyer agrees not to export or re-export Goods or technical data provided by ZT unless with express approval, in writing, from ZT and subject to the terms determined by ZT.

7. PAYMENT TERMS:

The price of the Goods is as specified on the order form. The said prices do not include the various expenses for which the Buyer is responsible, as specified above. The terms of payment shall be as specified in the Order. If the terms of payment include agreement with respect to a deferred payment, it means that the payment shall be transferred to ZT and paid by the end of the deferment period. Payment not remitted in time shall bear linkage differentials and interest at the maximal rate as charged at the said time with respect to non-permitted overdraft at The HongKong and Shanghai Banking Corporation (HSBC Group) in relation to dollar-denominated accounts.

8. LETTERS OF CREDIT:

Letters of credit shall be in accordance with the "Letter of Credit Guidelines", which and as shall be furnished by ZT.

9. DELIVERY:

Each delivery, should ZT so choose, shall constitute a separate sale, having the same effects as though made under a separate agreement, covering solely the amount and goods of such delivery. Notwithstanding the above, should Buyer be in default with respect to any of the terms or conditions of this or any agreement with ZT, ZT may, should it so choose, defer further shipment hereunder until such default are remedied or may, without prejudice to any other legal remedy, decline further performance hereof. ZT may also revoke any credit or change the terms of payment extended to Buyer for any reason, and thereafter ZT may require Buyer to pay cash prior to delivery or to give security as ZT deems satisfactory, and ZT may withhold deliveries until receipt of such payment or security.

10. OFFSETTING AND LIEN:

ZT may retain possession of the Goods and/or any part thereof, whether or not consideration in respect thereof has been paid, in order to guarantee the payment of any sum payable to it by the Buyer, whether in consideration of the retained Goods, in consideration of other Goods, or for any other reason.

The Buyer undertakes to pay the consideration of the Goods, even in the event that it shall have claims or demands against ZT, of whatsoever kind and nature, and the Buyer shall not be entitled to offset any sums off the price of the Goods.

11. WARRANTY AND CLAIMS:

(a) ZT shall be responsible, for the period of one year from the date of delivery, for

the replacement or repair, as it shall choose, of any item of the Goods (hereinafter: "Item") which, upon examination by ZT, shall be determined by ZT as having a defect which causes the Item to be unsuitable for reasonable use, provided that the said defect is the result of faulty production or use of poor quality materials, and further provided that the Buyer reported to ZT of said defect immediately upon learning thereof.

(b) ZT warranty, as stated in sub-section (a) above, is further contingent upon the Item being installed in a professional manner and in accordance with the instructions of ZT and maintained in accordance with the maintenance instructions of ZT, and on there having been no inappropriate or unreasonable use, and there having been no repair of any nature made thereto unless by ZT or with ZT's approval, in writing. ZT shall be responsible for any failure, defect or breakdown arising from ordinary wear and tear.

ZT's warranty is confined solely to the repair of the Item or the replacement thereof, as stated above, and it is limited to the cost of the Item only. Without derogation from the aforesaid, it is hereby clarified that ZT's warranty does not include installation costs relating to the replacement items. Furthermore, ZT shall not be responsible for any damage, expense or loss of whatsoever kind and nature caused directly or indirectly to the Buyer or to third parties, and shall not – in case of replacement of the Item – bear the costs and/or shall not be required to perform works as necessary to enable the replacement of the defective Item, such as acts of assembly, installation and dismantling, etc.

It is expressly agreed that this remedy shall be the sole and exclusive remedy of buyer. In no event shall either party be liable for any costs, loss, expense, special, indirect or consequential damage arising directly or indirectly from use of the material/good/item, whether or not based upon warranty, agreement, negligence or strict liability.

(c) ZT neither makes nor intends nor authorizes any other warranties, either express or implied, and it expressly excludes and disclaim all implied warranties of merchantability and fitness for a particular purpose.

Buyer assumes all risks and liabilities resulting from the use of any goods delivered hereunder in any processes or in combination with other substances.

12. THE GOODS:

(a) ZT may deviate from the quantity of Goods ordered by a deviation of 10%, and the final price for the Goods shall be determined in accordance with the quantity actually delivered.

(b) ZT may deliver the Goods at schedules which may vary, unless otherwise determined in advance, in accordance with the production and the state of the inventory in its warehouse. Should fixed lengths be determined expressly and in writing, ZT may deliver up to 10% of the Goods at unspecified schedules.

13. PATENTS AND COPYRIGHTS:

ZT is and shall remain the sole and exclusive owner of all intellectual property rights relating to the Goods. Buyer shall not violate any proprietary rights of ZT, including any intellectual property of ZT, and shall reimburse and indemnify any and all damages, costs, expenses and losses arising from a violation of any such right by the Buyer or any third party acting on its behalf or having acquired the Goods, and/or any documentation of ZT, from the Buyer.

14. FORCE MAJEURE:

Should any delay or interruption in the performance and completion of ZT's obligations occur due to any cause beyond ZT's control, such as an act of God, war, terrorism, act of government, fire, flood, earthquake, interruption of transportation or shipping, or other calamity, or due to any strike or labor troubles, sabotage, riots or insurrection, then the specified delivery dates shall be extended to permit ZT adequate time to fulfill the obligations of the agreement.

15. BREACH OF AGREEMENT:

Should any terms or conditions of this agreement be breached by Buyer, or should any proceeding affect the business of Buyer, or, at ZT's discretion, may have a material adverse change occurs in Buyer's business or payment ability, then with regard to the whole or any part of this agreement, ZT may, without prejudice to any other legal remedy, terminate the agreement.

16. RESOLUTION OF DISPUTES:

This agreement and the sale of Goods shall in all respects be governed by the laws of the Hong Kong SAR, China, without reference to its choice of law rules. The Parties hereby agree that any dispute shall be settled through friendly negotiations. In the event that no settlement can be reached within 20 days, the dispute shall be subject to binding arbitration in accordance with the Arbitration Law and Regulations. Written notice of demand for arbitration may be filed by either party with the other party. In the absence of consent between the Parties with respect to the arbitration within 7 days, it shall be appointed by the Chairman of the Bar Association upon a request of either party. Without derogation from the above, the court having the sole and exclusive jurisdiction shall be the court in the Hong Kong SAR, China.