

Terms and conditions of Supply - AB Enzymes Trading (Shanghai) Co., Ltd ("ABF")

1 Definitions and interpretation

1.1 In these Conditions, unless the context otherwise requires:

Contract means the contract entered into between ABF and the Customer on the supply of Goods or Services by ABF (including this Conditions);

Goods means any goods to be supplied to the Customer by ABF;

Loss means any damage, loss, liability, cost, charge, expense, penalty, outgoing or payment including legal costs and expenses;

Price means the price of the Supplies;

Services means services to be supplied by ABF to the Customers; and

Supplies means the Goods and/or Services (as the case may be).

1.2 Specifying anything in these Conditions after the words "including" or "includes" or similar expressions does not limit what else is included unless there is express wording to the contrary.

2 Contracts and Specifications

2.1 ABF is not obliged to accept any Contract and no Contract for Goods or Services submitted by any Customer is deemed to be accepted by ABF until confirmed in writing, or otherwise, by ABF at its discretion.

2.2 The Customer agrees that these Conditions form part of the Contract and apply to the Contract to the exclusion of any other terms or conditions (including any contained on printed documents issued by the Customer at any time). The Conditions are in addition to other rights which ABF may have at law. Any waiver by ABF of any right is not a waiver of any other or future rights ABF may have.

2.3 If Goods are to be manufactured and any process is to be applied to Goods by ABF in accordance with a specification submitted by a Customer, the Customer indemnifies ABF against any Loss or liabilities ABF suffers or is liable for in connection with any third party claim as a result of ABF's use of the Customer's specifications.

2.4 ABF may by its own discretion make any changes to the specification of the Supplies to conform to safety or other statutory requirements or, where the Supplies are to be supplied to ABF's specifications, which do not materially affect their quality or performance.

2.5 No Contract which has been accepted by ABF may be cancelled by the Customer except with the written agreement of ABF and the Customer indemnifies ABF against any Loss or liabilities ABF suffers or is liable for as a result of cancellation.

3 Price

3.1 Unless varied by ABF pursuant to clause 3.3 or required by law, the Price is as stated on the first page of the Contract and is exclusive of any goods and services tax and government surcharge.

3.2 Any rebates, discounts, allowances or other reductions in price calculated by reference to the sales value to which the Customer is entitled or which are granted by ABF (**Discounts**) are to be calculated on the tax exclusive Price as stated on the first page of the Contract.

3.3 After issuing a notice in relation to any variety, ABF may vary the Price by giving notice of variation to the Customer.

4 Delivery

4.1 Delivery of Goods to the Customer occurs:

(a) in the case of Goods to be collected by the Customer at ABF's premises, at the agreed time for collection; or

(b) in the case of Goods to be delivered other than at ABF's premises, at the time when the Goods is delivered, or, if the Customer fails to take delivery of the Goods, the time when ABF tendered delivery of the Goods at the agreed place.

4.2 The Customer will be responsible for all costs associated with the provision of the Supplies including any government taxes, government surcharges, duties or imposts payable in respect of the Supplies, unless stated otherwise on the first page of the Contract.

4.3 Any time which ABF quotes for delivery of the Goods is an estimate only.

4.4 ABF may cancel any Contract, without liability to the Customer, if it determines that it will be unable to deliver the Goods within a reasonable time, under this situation, ABF shall inform the Customer.

4.5 The Customer must accept, in fulfilment of its Contract, delivery of plus or minus 10% of the quantity specified in its Contract and must pay for the quantity actually delivered.

4.6(a) Any containers used for the delivery of the Goods, including any baskets, pallets, palletcons, crates or tanks (**Containers**) owned by ABF at all times remain the property of ABF and title does not pass in any circumstances.

(b) The Customer must ensure that the Containers are kept clean, not damaged and are returned (at the request of ABF) to ABF in good condition.

5 Payment

5.1 Where ABF has agreed to extend credit to the Customer, unless otherwise provided on the first page of the Contract, the Customer must pay for the Supplies in full within 30 days from the end of the month in which the Supplies were supplied.

5.2 ABF may require the Customer to pay cash in full prior to delivery.

5.3 If the Customer has not paid in full by the due date ABF may, without limiting any other rights it may have:

(a) charge the Customer interest on the overdue moneys at the rate based on the prevailing base lending interest rate for 1-year term loans as published by the People's Bank of China on the date of delivery plus 2%, from the date of delivery of the Supplies until the Customer has paid in full for the Supplies; and

(b) pursue an action against the Customer for the Price for which payment has not been made, even though property in the Goods remains with ABF.

5.4 Agreed Discounts will be credited to the Customer by ABF. The Customer cannot deduct any Discounts from moneys owing by it to ABF.

5.5 The Customer must pay ABF in full for the Supplies delivered even if there was a delay in the delivery of the Supplies, or if the Customer disputes the quality, quantity or condition of the Supplies delivered or provided.

5.6 ABF is entitled to set off any sums owed by it to the Customer under a Contract or otherwise against the Price, however, the Customer is not entitled to deduct any sums ABF owes to the Customer in accordance with the Contract or otherwise from the payment payable by the Customer to ABF.

6 Risk & Title

6.1 Risk of loss or damage to the Goods passes to the Customer on delivery.

6.2 Until the Customer has paid for the Goods in full and also paid all other moneys due and payable to ABF by the Customer:

(a) property in the Goods remains with ABF;

(b) the Customer holds the Goods on behalf of ABF; and

(c) the Customer must ensure that at all times the Goods are properly stored, separate from all other goods, protected, readily identifiable, clearly marked as owned by ABF and fully insured for an amount not less than the Price payable to ABF.

7 Right of Entry, Resale and Termination

7.1 If the Customer:

(a) (being a natural person) dies;

(b) (being a corporation) does anything which entitles anyone to apply to wind it up or an administrator of the Customer is appointed; or

(c) breaches any of the Contract,

ABF may, without affecting its accrued rights and obligations, take possession of and resell the Goods or terminate, without ABF incurring any liability whatsoever to the Customer, any Contract immediately by notice to the Customer and withhold any deliveries of Goods or suspend any performance of Services pursuant to a Contract, the Customer shall give ABF its best assistance.

7.2 The Customer authorises ABF and any person authorised by ABF to enter premises where the Goods may be located to take possession of the Goods. The Customer indemnifies ABF against any Loss or liabilities ABF suffers or is liable for in connection with ABF retaking possession of the Goods or otherwise exercising its rights under this clause 7. 8 Shortfall, Damaged and Defective Goods

8.1(a) The Goods will be considered to have been delivered in full in good condition and in accordance with the Contract unless the Customer notifies ABF in writing of the shortfall, damage or defect within 2 business days of receiving the Goods.

(b) If the Customer gives ABF notice under clause 8.1(a), it must also:

(1) preserve the Goods in the place in which they were received for 14 days after it gives ABF the notice (except for any normal deterioration due to the passing of time); and

(2) at ABF's option and requirement, allow ABF or its authorised representative to inspect the Goods or return some or all of the Goods to ABF (at ABF's expense for reasonable costs) in the same condition as when received by the Customer (except for any normal deterioration due to the passing of time).

8.2 ABF is not obliged to accept the return of Goods, or allow any set-off of the Price of the Supplies against any due amount payable by the Customer to ABF for Goods not sold by the Customer by the use-by date for the Goods.

9 Limitation of Liability

9.1 Subject to clause 9.2, unless expressly provided by the Contract, ABF makes no other warranties on the Goods, including but not limited to expressive or implied warranties, or merchantability warranty or suitability warranty.

9.2 To the extent permitted by law, ABF's liability under the Contract shall be limited to:

(1) in the case of Goods, either replacement of the Goods, the supply of products equivalent to the Goods, or the actual reasonable cost of replacing the Goods or acquiring products equivalent to the Goods; and

(2) in the case of Services, the supply of the Services again or the payment of the cost of having the Services supplied again.

9.3 To the extent permitted by law, ABF will not be liable for any Loss which the Customer suffers for any reason, including as a result of intention or gross negligence of ABF, its employees or agents in any way connected with or arising out of the Contract. Without affecting the aforesaid, ABF's liability under the Contract shall in no event exceed [X%] of the payable amount by the Customer in accordance with the Contract.

9.4 The Customer indemnifies ABF against any Loss or liabilities which ABF suffers, or is liable for in connection with any breach of the Contract, or negligence, by the Customer.

10 Variation

ABF may at any time vary the Contract by notice to the Customer.

11 Governing law

The Contract will be governed by and construed in accordance with the laws of the China. Any dispute, controversy or claim arising from or in connection with the Contract, or the breach, termination or invalidity thereof, shall be submitted to Shanghai International Arbitration Center for arbitration and to be settled under the rules of Arbitration of Shanghai International Arbitration Center. The seat of the arbitration shall be Shanghai. The arbitral award shall be final and binding upon the parties.

12 Force Majeure

ABF is entitled (without liability to Customer) to delay, vary or cancel the performance of any of its obligations if and to the extent that it is prevented from, hindered in or delayed in the performance of any of its obligations by normal route or means of delivery or at costs commercially acceptable to ABF through any circumstances beyond its control including acts of God, governmental actions, strikes or other labour disputes (whether or not relating to the ABF's workforce), lock-outs, accidents, war or national emergency, acts of terrorism, protests, riot, civil commotion, explosion, flood, epidemic, fire, natural disasters, extreme adverse weather, reduction in or unavailability of energy sources, breakdown of plant or machinery, restrictions or delays affecting delivery of the Supplies, default of suppliers or subcontractors, shortage or unavailability of raw materials from normal sources of supply or the amendment or coming into force of any regulatory provision affecting the import or export of the Supplies or any ingredients or materials for production of the Supplies (each a Force Majeure Event).

