

Envu Environmental Science (Shanghai) Company Limited General Terms and Conditions

1. Scope of the Application

These general terms and conditions of purchase (these “Conditions”) shall apply to, and be reflected in, each contract and/or order placed by Envu Environmental Science(Shanghai) Company Limited or any its affiliates in China (“Envu”) with the Supplier (such contract, the “Contract” and such order, the “Order”). Unless otherwise specifically consented by Envu in writing, these Conditions shall replace any terms or conditions of purchase stipulated by the Supplier. For the avoidance of doubt, in these Conditions, a “Contract” means the agreement or contract concluded by Envu and the Supplier for the purchase of Goods and/or Services 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. Quotation

The Supplier shall propose the quotation fully in accordance with the provisions and requirements in Envu’s inquiry (for details, see related quotations Envu has confirmed), and any departure therefrom shall be expressly stated. The Supplier shall propose the quotation free of charge and shall not impose any non-contractual obligations on Envu.

3. Warranties

The Supplier represents and warrants to Envu 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 is 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 and/or Services 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 Envu employees.

4. Order

Envu’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 Envu in writing.

5. The completion of Services and/or the delivery of Deliverables of Services and/or Goods

- 5.1. The Supplier shall complete the Services, deliver the Deliverables of Services and/or the Goods in accordance with the agreed requirements, specifications, time schedule, deadlines and other provisions of the Contract and/or the Order. The quotation, requirements, specifications, time schedule, deadline and other details of the Services and /or Goods are stated in relevant quotation form, agenda, Statement of Work, proposal and other related documents.
- 5.2. Time is the essence in the performance by the Supplier of the Contract and/or the Order. If the Supplier for whatever reason anticipates that it will fail to perform wholly or partially, or perform in time, all or part of its obligations stipulated in the Contract and/or the Order, then, the Supplier shall notify Envu immediately, stating the reasons and the likely duration of the delay.
- 5.3. The Supplier shall complete the Services, deliver the Deliverables of Services and/or the Goods at no extra charge. Should the Supplier complete the Services, deliver the Deliverables of Services and/or the Goods later than the agreed date (with the exception of the force majeure causes specified in clause 20 of these Conditions), the Supplier shall make daily payment to Envu of liquidated damages calculated at 0.3% of the price of the Contract and/or the Order per day from the date agreed for the Deliverables of Services and/or the Goods to be delivered and/or the Services to be completed until the date when the Deliverables of Services and/or the Goods are actually delivered and/or the Services are actually completed; in case of a delay of five (5) days or more, Envu has the right to rescind the Contract and/or the Order.

6. Quality and Requirements

- 6.1. The Supplier warrants that the quality of the Goods, Services and/or the Deliverables of Services will be satisfactory to Envu, capable of reaching the agreed effect, conforming to the qualities, quantities, specifications, methods and other requirements specified in the Contract and/or the Order, and complying with any other materials or instructions given to the Supplier by Envu, and meeting all applicable national and industrial standards.
- 6.2. The above warranties shall not prejudice the remedies or assurances implied by or available in any applicable law. Notwithstanding any full or partial acceptance of the Goods, Services and/or the Deliverables of Services by Envu, the above warranties shall remain in force.
- 6.3. For material purchase, the below requirements should be followed:
- 6.3.1. For material purchase of Envu Environmental Science (Shanghai) Company Limited the Supplier shall not use, and permit the use of pallet which does not meet Envu procurement requirements in supplying the Goods. The pallet which does not meet Envu procurement requirements shall not be used in any circumstances, including without limitation, the production process, production area, warehousing or transportation of the Goods supplied to Envu.

The Supplier shall guarantee its upstream suppliers (including without limitation the suppliers of raw material and packaging material of the Goods) to comply with this Article. Upstream suppliers neither shall use nor permit to use any pallet which does not meet Envu

procurement requirements to provide Goods (including but not limitation to raw material and packaging material of the Goods). The pallet which does not meet Envu procurement requirements shall not be used in conditions including but not limitation to: the production process, production area, warehousing or transportation of the Goods supplied to the Supplier by its upstream supplier. For material purchase of other Envu legal entities excluding Envu Environmental Science (Shanghai) Company Limited, the Supplier shall not use, and permit the use of, any 2,4,6-tribromoanisole treated wood pallet in supplying the Goods. 2,4,6-tribromoanisole treated wood pallet shall not be used in any circumstances, including without limitation, the production process, production area, warehousing or transportation of the Goods supplied to Envu.

- 6.3.2. The Supplier shall guarantee its upstream suppliers (including without limitation the suppliers of raw material and packaging material of the Goods) to comply with this Article. Upstream suppliers neither shall use nor permit to use any 2,4,6-tribromoanisole treated wood pallet to provide Goods (including but not limitation to raw material and packaging material of the Goods). 2,4,6-tribromoanisole treated wood pallet shall not be used in conditions including but not limitation to: the production process, production area, warehousing or transportation of the Goods supplied to the Supplier by its upstream supplier.

7. Acceptance of Goods and/or Services

- 7.1. Envu is entitled to review and test the Goods, Services and / or the Deliverables of Services before accepting them. If any Goods, Services and /or the Deliverables of Services do not meet any agreed requirement, specification, representation, warranty or any other provision of the Contract or the Order, Envu shall send a written notice to the Supplier specifying the defect of the Goods, Services and/or the Deliverables of Services.
- 7.2. Envu has the right to request correction of such Goods by the Supplier free of charge; Envu also has the right to repair such Goods at the expense of the Supplier; or reject such Goods. If Envu rejects such 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. Envu also has the right to purchase replacement Goods from another source. Any costs paid by Envu 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 Envu in obtaining replacement Goods, shall be paid by the Supplier to Envu.
- 7.3. Envu has the right to request correction of such Services and/or the Deliverables of Services by the Supplier free of charge; if the Supplier fails to deliver the required Services and/or the Deliverables of Services within ten (10) days after Envu request, Envu may correct such Services and/or the Deliverables of Services by itself or by a third party designated by Envu, and charge the Supplier for any and all costs so incurred, and claim against the Supplier for liability for breach.

8. Inspection and Audit

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

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

8.1.2. to interview key employees of the Supplier under the Contract and/or the Order; and

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

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

8.2. 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 for at least two (2) years after the completion of Services and/or the delivery of Deliverables of Services and/or Goods.

8.3. If an audit reveals that the Supplier has overcharged Envu, Envu shall be entitled to an immediate refund of the overcharged amount. Envu 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.

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

8.5. Any exercise of the right by Envu under this Clause 8 or any acceptance of any invoice or any payment thereof by Envu shall not affect any other rights or remedies available to Envu, nor preclude Envu 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. The Supplier represents warrants and undertakes to Envu that the Supplier collects timesheets from the Project Team members on a weekly basis and reviews the timesheets for accuracy before the calculation of the Fees.

8.6. If Envu reasonably believes that any of the following has occurred, Envu has the right to investigate or audit relevant Contract and/or Order, which the Supplier may be in potential breach of, and the Goods, Services and/or the Deliverables of Services thereunder, in accordance with the provisions of this Clause 8:

8.6.1. the Supplier fails to provide in accordance with relevant Contract and/or Order complete, true and accurate supporting documents for the Fees under the Contract and/or the Order; or

8.6.2. The Supplier makes material amendment to the terms and conditions of relevant Contract and/or Order without prior written approval of Envu, including without limitation change of price, increase of payable items or change of manners or conditions of Goods, Services and/or the Deliverables of Services provisions.

Upon the issuance of the notice under Clause 8.1, Envu has the right to immediately suspend any and all payment in relation to such Contract and/or Order until completion of the investigation or audit. If the investigation or audit proves that the Supplier has committed any of the above breach, without prejudice to Envu right to claim for liability for breach in accordance with other provisions of these Conditions, Envu has the right, with respect to any Contract and/or Order that the Supplier is in breach of, to immediately terminate the Contract and/or cancel the Order by notifying the Supplier in writing in accordance with Clause 8.3, and refuse to pay all the Fees (if any) under such Contract and/or Order. If the Supplier fails to cooperate with Envu in the above investigation or audit, Envu has the right to refuse to pay all the Fees (if any) under such Contract and/or Order.

8.7. Envu shall have the right to audit the sustainability performance of the Supplier, either by assessment (online, paper questionnaire, etc.) or by an onsite audit, executed directly by Envu or by a third party, commissioned through Envu.

9. Liability for Breach

If the Supplier commits a breach, the Supplier shall pay to Envu liquidated damages. If the liquidated damages are adequate to recover the losses suffered by Envu, then no other compensation is needed. If the liquidated damages are not adequate to recover the losses suffered by Envu, then, the Supplier shall make additional payments to make up for the difference. Even though the Supplier agrees to pay or has paid the liquidated damages and/or compensations, the Supplier shall continue to perform the Contract and /or the Order if so requested by Envu. This Provision does not affect the validity of other terms about liability for breach of contract agreed by the Parties.

10. Indemnity

The Supplier shall indemnify Envu against any and all losses, liabilities and costs caused directly or indirectly by the following reasons:

- 10.1. alleged or actual infringement of any patents, trademarks, copyrights, any other intellectual property rights, licences or other rights of any third party as a result of the purchase, use, resale by Envu or authorization of other persons' use of the Goods, Services and/or the Deliverables of Services; and
- 10.2. any act or omission by the Supplier in the performance of or in connection with any of its obligations under the Contract and/or the Order, with the exception of those caused by willful misconduct or gross negligence of Envu.

11. Insurance

11.1. The following clauses apply to professional service providers such as law firms, accounting firms and insurance companies.

The Supplier shall take out and maintain, at its own cost, adequate insurance for the Services provided and the Deliverables delivered that is required by law and/or common practice of the industry, including but not limited to vocational /professional liability insurance and other liability insurance as agreed by the Parties with a reputable and qualified insurance company recognised by Envu, and provide to Envu certified photocopies of the insurance policies and related documents. The insurance amount of occupational liability insurance shall not be less than RMB 15 million, other types of liability insurance and the amount of insurance shall be handled as agreed by both parties.

11.2. The following clauses apply to contracts involving vehicle leasing services

The Supplier shall purchase all necessary vehicle-related insurance for the vehicles serving under the contract in accordance with the provisions of laws and regulations and maintain the insurance validity for the duration of the contract to cover the loss of property and/or casualties caused by the vehicles /or services provided by the Supplier during the service period in Envu and/or third parties. The insured items include not limited to compulsory traffic insurance, commercial third-party liability insurance (the limit is not less than 200,000 RMB per car), personnel liability insurance on vehicles, etc. The premium is borne by the Supplier.

11.3. The following clauses apply to onsite Services in Envu, such as cleaning and green planting services at Envu sites; if the clause apply, it should be used in conjunction with 11.4: The Supplier should purchase insurance for death, personal injury and medical expenses of their employees in accordance with the law. All Supplier service personnel for Envu are employed by the Supplier at its own expense. The Supplier shall bear full responsibility for the salary, bonus, labour, injury, insurance, medical insurance and other benefits of its employees. Envu is not liable for any work-related injuries of its service personnel, and any omissions of service personnel shall be borne by the Supplier alone.

11.4. The following clauses apply to other services For example, IT services, hotels and other venue service

The Supplier shall, at its own expense, insure in full the services provided and the results delivered by the recognized, reputable and qualified insurance companies in Envu, and maintain the insurance required by law and/or generally required by the industry, including but not limited to public liability or comprehensive liability insurance, and provide Envu with certified policies and copies of relevant documents. The limit of liability insurance shall not be less than RMB 10 million. The new address (90 days) of automatic coverage under this insurance category should be extended to include the clauses for abandoning recourse to Envu and its affiliated enterprises, as well as the clauses for fire, explosion, water loss and sudden and accidental pollution.

12. 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.

13. Title and Risk

In accordance with the Contract, without prejudice to any right of rejection which may accrue to the Envu under the Contract or otherwise, unless otherwise stipulated in the Contract and/or the Order, the title and the risk for the Goods shall be passed to Envu upon that the Goods has been delivered from the Supplier to Envu and a representative appointed by Envu has executed the delivery documents.

14. Payment

14.1 Envu is only required to pay the Fees of the Goods and/or the Services stated in the Contract and/or the Order, and/or the Expenses reasonably incurred in the performance of the Contract and/or the Order and agreed by Envu in writing in advance. Unless otherwise agreed by the Parties in writing, the Fees of the Goods and/or the Services stated in the Contract and/or the Order and the Expenses reasonably incurred in the performance of the Contract and/or the Order include all direct and indirect costs, expenses, fees and expenditures, and include any applicable value added tax, customs duties and other taxes. For the avoidance of doubt, if any Expenses are set forth in the Contract and/or the Order, such Expenses shall be the estimated Expenses, and Envu shall reimburse the Expenses actually incurred.

14.1. When applying to Envu for payment, the Supplier shall provide statements with seals, and list all end suppliers and corresponding costs, the Supplier's service fee, taxes and total amounts payable. The Supplier shall provide copies of all authentic invoices consistent with the statement from end suppliers including but not limited to providers of hotels or other meeting venues (including medical institutions), transportation service providers (airplane, train, bus, etc., or ticket agents) and catering service providers. The Supplier shall, by affixing its seal thereon, confirm that these copies of invoices are the copies of original invoices. The Supplier shall retain the original invoices of end suppliers (or copies of the invoices if so permitted by Envu in writing) for at least 2 years after completion of the services under the Contract and/or the Order, and timely present these original invoices or copies of invoices to Envu for verification for the purpose of audit.

The Supplier shall provide, together with copies of invoices of end suppliers for verification, a detailed list for all expenses in support of the statement (e.g. a restaurant bill setting out names and quantity of dishes and drinks). If the end suppliers are unable to provide the detailed list, the Supplier is responsible for collecting and presenting the detailed information.

The detailed list shall be reasonable and be consistent with the amount in the invoice from end suppliers and the amount on the Supplier's statement.

Payment of verified invoices is due 120 days from the date Envu receives the invoice, unless otherwise specified in the Purchase Order. Invoices must be submitted to finance.china@envu.com and must clearly reference the Purchase Order number. The payment period shall commence only after Envu has received both a valid invoice and the corresponding products and/or services. Envu has the right to set off its payable claims against the payable debts to the Supplier.

The following article 15, article 16, article17 apply to Goods purchase

15. 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.

16. 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.

17. Documents

- 17.1. If the Goods are sent by air-freight, the Supplier shall, prior to the Goods arriving at Envu destination, provide to Envu, 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 Envu the following documents: two copies of the air parcel post receipt addressed to Envu, 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.
- 17.2. Without prejudice to the above, the Supplier shall provide at its own expense to Envu all the documents that Envu may reasonably request for the performance of the Contract and the Order.

18. Confidentiality, Publicity, Compliance and Others

- 18.1. The Supplier shall keep in confidence all information provided by Envu in relation to Envu and the affiliates of Envu and all information provided, prepared, produced, designed or developed by Envu or the Supplier for the purpose of the Services, and shall not disclose or use such information except for the purpose of performing the Contract and/or the Order. Upon request of Envu, the Supplier shall immediately return the aforesaid information and materials and shall not keep copies in any form (including electronic copy).
- 18.2. Without the prior written consent of Envu, the Supplier shall not by any means publicize or make it publicly known that the Supplier provides or will provide the Services to Envu.
- 18.3. Without the prior written consent of Envu, the Supplier shall not use any name, logo, trade mark or brand of Envu or an affiliate of Envu, either alone or together with the Supplier'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 Envu 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 Envu may release from time to time. The current version of the Code of Conduct is posted on the following website:
<https://www.envu.com/footer/procurement/code-of-conduct>

19. Personal Information

If the Supplier acquires, processes or uses any personal information, including but not limited to that of the employees and/or customers of Envu or Envu affiliates, in performing a Contract and/or an Order, the Supplier shall limit such acquisition, processing and use for the purposes of such Contract and/or such Order, and shall comply with all applicable laws and rules (if any) and instructions or requirements made by Envu to the Supplier according to the laws and rules on personal information protection that may apply to Envu or Envu affiliates.

20. Force Majeure

- 20.1. In case of any delay due to Force Majeure Events such as war, fire, flood, typhoon or earthquake, which are beyond the control of the Parties, and which are unforeseeable or, if foreseen, are unavoidable, the Party encountering such event shall not be held liable. The Party encountering a Force Majeure Event shall as soon as practicably possible notify the other Party of such event and, within seven (7) days after the occurrence of such event, provide the other Party with a certificate issued by the competent authorities evidencing the occurrence of the Force Majeure Event.

- 20.2. During the period of the Force Majeure Event, the Supplier shall take all necessary measures to perform the Contract and/or the Order. If, as a result of the Force Majeure Event, delay lasts for more than five weeks, Envu shall have the right to rescind the Order.
- 20.3. 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, Buyer shall have the right to rescind the Order.

21. Effectiveness and Termination

- 21.1. The Orders shall take effect upon the affixation of the company seals or contract seals of the Parties, provided that, if there is a Statement of Work for the Services (the “**Statement of Work**”), the Order shall not be effective until the Statement of Work has been duly executed by the Parties.
- 21.2. In any event Envu is entitled to terminate the Contract or cancel the Order by thirty (30) day prior written notice.

22. Applicable Laws and Dispute Resolution

- 22.1. The Supplier’s employment shall comply with the Labour Law of the People’s Republic of China, Labour 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 Labour 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.
- 22.2. 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 Contract and/or 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.