

Valvoline General Terms and Conditions of Sale

Article 1 – General

1. The General Terms and Conditions of Sale contained herein (“General Conditions”), shall apply to 1) all offers, quotations, order confirmations issued by Valvoline entities within the territory of the PRC ("Supplier") and 2) all Agreements as hereinafter defined between Supplier and any (prospective) Buyer ("Buyer"). Supplier only accepts Purchase Orders for any products and/or services, subject to the General Conditions. Any conditions of purchase or other reservations made by the Buyer shall not be effective unless the Supplier has expressly accepted them in writing for a particular order.
2. "Order Confirmation" shall mean the written confirmation by Supplier to sell or supply to Buyer the products and/or services described therein. "Purchase Order" shall mean the written or verbal order by Buyer to purchase from Supplier any products and/or services.
3. Only the issuance of an Order Confirmation by Supplier in response to a Purchase Order shall constitute an agreement, which is binding on Supplier and Buyer ("Agreement").
4. Supplier may withdraw its offers and quotations without notice at any time before an Agreement between Supplier and the Buyer comes into effect.
5. Cancellation of a Purchase Order and products and/or services returned for credit by the Buyer shall not be accepted. Purchase Order shall be deemed binding on the Buyer and open for acceptance by Supplier for the validity period specified therein, or if not specified therein, for a period of 180 days from the issue date. Unilateral cancellation by Buyer within such period shall not be valid.
6. Upon entering into an Agreement with Supplier, Buyer is deemed to have accepted the General Conditions as an integral part of the Agreement Unless Supplier expressly agrees otherwise in writing, the General Conditions prevail over any conflicting or additional terms or conditions stipulated or referred to by Buyer.

Article 2 – Prices

1. All of Supplier's offered, quoted, published or notified prices are non-binding and are subject to alteration at any time without prior notice and in particular may be altered to reflect any increase in cost to Supplier caused by the imposition or levying by any governmental or other authority of any country of any import or other duty, tax or charge.
2. All prices are quoted exclusive of taxes, packaging and carriage and based upon delivery "Ex Works", according to the Incoterms 2000. Where payment has been agreed in a currency other than United States Dollars (USO), the Suppliers reserves the right to reduce or increase the amount originally agreed so that, when translated into USO, the sum invoiced is equivalent to the USO value resulting from translation of the amount originally agreed at the time the Agreement was concluded.
3. AU sales shall be invoiced inclusive of taxes and levies. If Supplier complies with any request to make any deliveries with exemption from taxes and/or levies, Buyer bears full responsibility and risk with respect to such deliveries and any related documents prepared by Supplier. Buyer shall compensate all of Supplier's taxes, cost, expenses and fines arising from any incorrect or insufficient provision of documents or information or other irregularities relating to such taxes and/or levies, even in case of any mistakes, errors or circumstances being attributable to Supplier.

Article 3 – Terms of Payment

1. All payments shall be made in accordance with the Order Confirmation. The sales price of the products and/or services is to be received by Supplier no later than the due date of the invoice. Supplier has at all times the right to claim full or partial payment in advance and/or to otherwise obtain security for payment.

2. Neither disputes arising under any Agreement, nor occurrences beyond the control of Supplier nor the notification by Buyer of any claims or demands with respect to any deliveries shall affect Buyer's payment obligations under any Agreement.

3. Supplier may charge interest on any overdue payments at the rate of 15% per annum from the due date until the actual date of payment. Buyer shall also be liable for all judicial and extra judicial collection costs. The provisions set forth in this Article 3.3 are without prejudice to any other rights Supplier may have pursuant to any laws or any Agreement. If any amount payable by the Buyer is overdue, all other amounts owing by the Buyer to the Supplier shall become immediately due and payable. In case of default, the Supplier reserves the right to claim damages and to terminate the Agreement.

4. Title of ownership of all products supplied by Supplier shall not pass to Buyer until settlement in full of the sales price and all other sums due to Supplier.

5. Where the Supplier has reason to doubt the Buyer's solvency or credit worthiness and the Buyer is not prepared to effect advance cash payment or provide the Seller with security as requested, the Seller shall have the right to terminate the Agreement, without prejudice to its accrued rights under the Agreement.

6. The Buyer shall not have the right to withhold payments. The Buyer shall not be entitled to offset any amount owing by the Supplier to the Buyer against payments due.

Article 4 – Delivery

1. The Incoterms 2000 or its subsequent modifications published by the International Chamber of Commerce, and any specific product delivery conditions stated on the Order Confirmation, shall apply to all deliveries made under the Agreement. In case of any conflict between Incoterms and any terms of the Agreement the latter shall prevail.

2. Supplier will make every endeavor to deliver products and/or services on the date stated on the Order Confirmation, but Supplier shall not be liable for failure to do so for any reason. Supplier is entitled to make partial deliveries.

3. Supplier's weights and measurements shall govern unless proven to be incorrect.

4. Buyer shall inspect the products and/or services immediately on quality and quantity upon delivery thereof by Supplier.

Article 5 – Risk

Risk of loss and damage to the products shall pass to Buyer upon delivery by Supplier.

Article 6 – Packages

Where the Order Confirmation states that packaging of products is or remains property of Supplier or is to be returned to Supplier or contains similar statements, such packaging shall remain the property of Supplier at all times and Buyer must return them at his risk and account empty to the destination indicated by Supplier and must advise Supplier on date of dispatch. Any packages not returned in good order and condition within a reasonable period shall be paid for by Buyer at Supplier's standard replacement costs.

Article 7 – Loss or Damage

Notification of non-delivery of any quantity of products and/or services as well as any visual damage to any products must be made by the Buyer to the Supplier expressly in writing and such notification must be in addition to any statements on the delivery note rejecting delivery or qualifying Buyer's acceptance of any delivery and must be made within five days from the date such products or services were offered for delivery. If no such notification is received by Supplier within such time limit, all products and/or services shall be deemed delivered in the agreed quantity, free from visual damage.

Article 8 – Health Risk and Safety

1. Buyer acknowledges that the products to be supplied under any Agreement may be hazardous to the human health and/or the environment.
2. Buyer shall familiarize itself with and shall be responsible to keep itself as well as all persons involved in the handling of the products as from delivery thereof by Supplier, fully informed with regard to the nature of any such health and/or environmental risks and with regard to the proper and safe handling of the products.

Article 9 – Warranty

Supplier warrants that the products and/or services supplied shall at the time of delivery conform to the technical specifications set forth in the Order Confirmation. Supplier gives no other warranties, express or implied, with respect to any products or services. Any warranties that may be applicable pursuant to any laws or regulations, including any warranties of merchantability or fitness for any use or purpose, are expressly excluded.

Article 10 – Warranty Defective Products

1. Within thirty (30) days of the receipt of the products and/or services, Buyer shall notify Supplier in writing of any non-conformity with the specifications. In the absence of such timely notification Buyer shall be deemed to have accepted the products and/or services and any claims based on non-conformity with the agreed specifications shall be deemed waived.
2. Where timely notification is made in accordance with Article 10.1 and the products and/or services do not conform to the specifications at the time of delivery, Supplier shall at its expense either replace any quantity of returned non-conforming products by a corresponding quantity of products meeting the specifications, or, at Supplier's option, credit Buyer for the invoice value of the returned non-conforming products, or, in case of non-conforming services only, re-perform such services so that they meet the specifications.

Article 11 – Limitation of Liability

Supplier's liability in respect of any quality defects of any products and/or services supplied hereunder, whether arising from the provision of any Agreement or arising from any non-contractual obligation, shall be limited to the remedies set forth in Article 10.2. Supplier shall not in any circumstances be liable for any indirect, consequential or incidental loss or damage of any kind whatsoever (including without limitation loss of profits or revenue).

Article 12 – Force Majeure

Supplier will not be responsible for any delay or failure to fulfill any term or condition of any Order Confirmation, Agreement or other obligation to the extent such delay or failure is caused by or results from any other event which is beyond the control of Supplier, including but not limited to: (i) strikes, labor disturbances, (ii) unavailability or shortage of raw materials or auxiliary materials, (iii) transportation problems, (iv) in cases, where Supplier itself is not the manufacturer of any product sold to Buyer, failure by its regular supplier for any reason to supply such product as well as modification of such product by the manufacturer which was not foreseen by Supplier at the time of the offer, quotation or Order Confirmation.

Article 13 – Confidentiality

Any technical commercial, economic and other information and data concerning Supplier's business, including without limitation its formulas, product specifications, services, plans, programs, processes, products, costs, operations and customers, which may come within the knowledge of Buyer, its affiliates, officers or employees in the performance of the Agreement shall be treated as confidential property of Supplier and shall not be used by Buyer except for the benefit of Supplier in the furtherance of the Agreement; and shall not be disclosed to others, including governmental agencies or other authorities during or subsequent to the term of the Agreement without in each instance securing the prior written

consent of Supplier. Any such information provided by Supplier to Buyer in writing or other tangible media shall be returned to Supplier either upon Supplier's first request or upon termination of the Agreement.

Article 14 – Governing Law/Disputes

1. Any agreements and documents to which these General Conditions apply shall be exclusively governed by the laws of the People's Republic of China without referring to its conflicting rules.

2. Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration China International Economic and Trading Arbitration Committee Shanghai Sub-commission according to the arbitration rules of the said commission. The language of the arbitration shall be in English. Any decision of such arbitration shall be final and binding to both parties.

3. Applicability of the United Nations Convention on the International Sale of Goods (CISG, 1980) is explicitly excluded.