

# Rules of Transaction Dispute Resolution and Complaint Handling

## 1. General Rules

- 1.1 The Rules of Transaction Dispute Resolution and Complaint Handling (the “Rules”) are basic procedures and standards made by the EPEC E-commerce Co., Ltd., the operator (the “Platform Operator”) of EPEC International E-commerce platform (the “Platform”) with respect to resolving transaction disputes and other matters in dispute regarding the Platform.
- 1.2 If a dispute arises concerning a Covered Transaction or potential Covered Transaction among the Registered Members, such Registered Members in dispute shall first try to negotiate and resolve the dispute. If the Registered Members cannot reach an agreement through negotiations, any of the Registered Members can file an application to submit the dispute to the Platform Operator for mediation. Any disputes that arise out of Transactions between the Registered Members and the Platform shall be resolved in accordance with the relevant agreements and rules of the Platform.
- 1.3 The Platform Operator will establish a convenient and effective mechanism for receiving complaints and reports, will publish information regarding complaints and reporting methods, and will promptly accept and deal with complaints and reports.
- 1.4 The Platform Operator will offer a proposed resolution for the dispute between Registered Members in accordance with laws, regulations, rules of the Platform, industry standard and usage and trade. The Platform Operator does not guarantee that the resolution will meet both Registered Members’ expectation, and does not assume any liability relating to the resolution. If a Registered Member suffers any loss, it shall rely on itself to claim damages.
- 1.5 When trying to handling the Dispute, the Platform Operator can exercise the following rights:

- 1.5.1 Consult (request) and copy information, documents, materials and archives related to the transactions, daily operation and complaints;
  - 1.5.2 Investigate and collect evidence from relevant organizations and personnel such as Registered Members;
  - 1.5.3 Stop, correct and handle misconducts;
  - 1.5.4 Take other necessary actions for the purpose of mediation.
- 1.6 After accepting the application for handling the Dispute, the Platform Operator will handle the Dispute in accordance with laws, regulations, industry standard and usage of trade. Any mediation by the Platform Operator does not exempt the parties in the dispute from performing their respective legal responsibilities or liabilities. Where the dispute arises because the goods or services provided do not comply with the requirements for protection of personal safety or property security, or have infringed upon the legitimate rights and interests of others, the Platform will take necessary measures. The parties in dispute can also resolve the Dispute through separate negotiation or other methods.
- 1.7 If, after the mediation of the Platform Operator, the parties in the Dispute cannot reach an agreement on the Dispute, the parties in the Dispute can resolve their Disputes by methods such as requesting for mediation by a consumer association or other mediation organization established pursuant to the law, reporting to relevant authorities, filing a lawsuit and requesting for arbitration etc.
- 1.8 When handling an e-commerce Dispute, The Platform Operator and Supplier Members will provide the original contract and transaction record. Where the materials are lost, forged, altered, destroyed or concealed by the Platform Operator or Supplier Member, or where they refuse to provide such materials which cause the Peoples' Court, arbitration organization or the relevant authorities unable to verify the facts, the Platform Operator and Supplier Members shall bear the corresponding legal liability.

## 2. Rules Overview

### 2.1 Definitions

2.1.1 “Transaction Dispute Resolution” means where, disputes arise in the Transaction between parties and the parties are unable to negotiate or cannot reach an agreement through negotiation, the Platform, at the request of one or both parties in the dispute, resolve their disputes. Any disputes that arise out of Transactions between the parties and the Platform shall be resolved in accordance with the relevant agreement and rules of the Platform.

2.1.2 “File Complaint” means where, a Registered Member, to protect their own rights and interests, file complaint on specific matters to relevant departments in the Platform through methods specified in the Rules, and request resolution and response from the Platform.

“Appeal” means where, a Registered Member, not satisfied with the proposed resolution of the Platform with respect to the complaint filed, requests the Platform to resolve and respond to the same complaint again.

2.1.3 “Complainant” means the Registered Member, being a party involved in a Dispute, who files a complaint requesting the Platform Operator to resolve a Member Dispute arising from transactions and activities implemented on the Platform.

2.1.4 “Respondent” means the Registered member, being a party involved in a Dispute, to whom a complaint arising from transactions and activities implemented on the Platform is filed against.

## 2.2 Scope of Application.

The Rules apply to following types of Disputes that arise out of transactions between the Registered Members on the Platform:

2.2.1 Issues concerning Goods: Mistakes of display of goods itself inquired by the Buyer Members and IPR infringement, etc.

2.2.2 Issues concerning Behaviors of Supplier Members: Transaction behaviors of Supplier Members violating transaction rules or agreements.

2.2.3 Issues concerning Behaviors of Buyer Members: Transaction behaviors of Buyer Members violating transaction rules or agreements.

2.2.4 Acceptance, handling, feedback, appeal and determination of responsibilities of Platform complaints; and

2.2.5 Other specific issues that the Platform Operator believes are necessary to handle.

### 3. Conditions for admissibility of a Complaint

3.1 The Complainant filed by a Registered Member under the Rules should provide for a valid and authentic ID and contact information.

3.2 The Complaint should specifically identify the Respondent;

3.3 The Complaint should specifically provide for the factual basis and grounds supporting its claims in the complaint;

3.4 The Complainant should provide necessary, accurate and detailed factual proof and evidence materials; and

3.5 The Transactions at issue is based on effective orders on the Platform.

3.6 Any other conditions that the Platform Operator deems necessary.

### 4. Time Limit for Processing Complaint

The time limit to process the complaint is 90 days after the Procurement Manager receives the complaint, but Disputes concerning Goods are not subject to such time limit.

### 5. Transaction Dispute Resolution Rules

5.1 Disputes concerning shipping, receiving, returning and replacing of goods

5.1.1 Shipping Goods

5.1.1.1 The Purchaser Member shall provide its effective shipping address to its counterparties in the Transaction, and shall guarantee that its

authorized personnel can acknowledge the receipt. In the case of a sudden change of address, the Purchaser Member shall promptly communicate with their counterparties and agree on each other; otherwise, the Purchaser Member shall bear the losses resulted from the change.

5.1.1.2 When publishing information of the goods, the Supplier Member shall indicate whether a courier service provider will be specified, the method of payment for shipping and other information, or seek the Purchaser Member's approval regarding such information; otherwise, the Supplier Member shall bear any resulting losses.

Where the Platform Operator directly sells goods, the information regarding courier service provider or the method of payment for the shipping shall be that released at the time when the order is placed. Before placing an order, the Purchaser Member can consult the Platform Operator regarding the method of payment for the shipping and whether a courier service provider will be specified. The Purchaser Member shall bear any losses resulting from the change or alteration of the courier service or the method of payment for shipping after the order is placed. The Platform Operator bears the final right of explanation regarding the courier service of the goods and the method of payment for shipping. The Platform Operator has the right to revise or clarify the courier service of the goods and the method of payment for shipping.

5.1.1.3 Where Purchaser Member has a special needs regarding the timing of shipping of goods, the timing of arrival and the manner of packing, it shall agree on such matters with its counterparty; otherwise, the Purchaser Member shall assume relevant risks by itself.

5.1.1.4 Where the Purchaser Member refuses to acknowledge the receipt of the goods due to the Supplier Member fails to ship or deliver the goods at the agreed time, the Supplier Member shall promptly contact the courier service to recall the goods; otherwise, the Supplier Member shall bear any resulting losses. Where the Platform Operator directly sells goods, the shipping time or arrival time shall be the actual time.

## 5.1.2 Receiving Goods

5.1.2.1 Before acknowledging the receipt of the goods, the Purchaser Member shall inspect the quantity and visible defect that can be detected on the face, including but not limited to judging whether there is any broken, deformed goods, and the quantity, model and type of the goods. The Purchaser Member has the right to refuse to acknowledge the receipt of the goods in the above circumstances. The same rule applies to the Supplier Purchaser in acknowledging the return of the goods.

5.1.2.2 Where the Purchaser Member refuses to acknowledge the receipt of the goods without justified reasons, the Purchaser Member shall bear the resulting losses. The same rule applies to the Supplier Member in acknowledging the return of the goods.

5.1.2.3 Where both parties in the Transaction agree to a specific carrier, the Supplier Member shall entrust the specific carrier in shipping the goods. Where the Supplier Member breaches this rule, the Purchaser Member has the right to refuse to acknowledge the receipt of the goods.

5.1.2.4 After the Purchase Member refuses to acknowledge the receipt of the goods, the Supplier Member shall promptly contact the courier service to recall the goods. The Supplier Member shall bear any additional shipping costs and storage fee caused by the Supplier Member.

## 5.1.3 Returning and Replacing Goods

For relevant information, please see the Rules on After Sales Service and Returning and Replacing Goods.

## 5.2 Matters regarding Custom-made Goods

The Purchaser Member shall confirm with the Supplier Member in writing regarding the model or specifications of the goods before entering into an effective order; otherwise, the Purchaser Member shall bear the resulting losses.

### 5.3 Other Matters

5.3.1 The Supplier Member has the duty to provide after-sale service, and shall comply with the after-sale promises it made to the Purchaser Member in accordance with relevant laws, regulations and Platform Rules. For relevant information, please see the Rules on After Sales Service and Returning and Replacing Goods.

5.3.2 If the goods to be sold but yet to be delivered are seized or confiscated by administrative or judicial authorities (including but not limited to Customs, Industrial and Commercial Bureau, People's Court), after the Purchaser Member provides relevant evidentiary materials, the Supplier Member shall bear the corresponding legal liability.

5.3.3. Where the Complainant provides necessary and accurate factual basis and evidence materials, the Platform Operator has the right to provide necessary assistance at the Complainant's request, such as providing the real name, address, effective contact information of the Supplier Member, the original contract and transaction documents, etc., and has the right to request the Supplier Member to provide a response or reply regarding the disputed matters within a time limit. The Respondents shall actively cooperate with such request.

5.3.4 In a Transaction Dispute, if there is preliminary evidence showing that the goods provided by the Supplier Member do not comply with the requirements for protection of personal safety or property security, or have infringed upon the legitimate rights and interests of others, the Platform Operator has the right to take necessary measures such as temporarily shielding the hyperlink of such goods or services and terminating transactions, etc.. If such circumstances are to be disproved later, the Platform Operator does not assume the losses caused by taking such necessary measures to the Respondent or the purchaser of the Respondent's goods or services.

## 6. Dispute Handling Process

6.1 The Platform receives Dispute applications through telephone, mail, letter or other channels provided by the Platform.

- 6.2 The Dispute Receiving Department will keep records. If it can handle the Dispute by itself, it should reply within 4 working hours. If it cannot handle the Dispute by itself, it will promptly transfer the Dispute to the corresponding business department.
- 6.3 Both parties to the transaction shall promptly provide explanation or evidence materials pursuant to the notice of Platform and/or the notice issued by the Platform Operator.
- 6.4 After the two parties submit the evidence materials, the Platform Operator will make recommendation for resolution pursuant to the Rules; if the Rules do not provide clear guidance, the Platform Operator will propose a resolution plan. If a Registered Member cannot provide proof materials in accordance with the Rules without justified ground, the Platform Operator has the right to handle the Dispute based on the evidence it collects.
- 6.5 The Dispute Receiving Department is responsible for following up and supervising the resolving process of the dispute, giving timely reminders and making records.

## 7. Suspension of Handling Disputes

When the Platform Operator is in the process of handling or resolving the Dispute, the handling or resolution process may be suspended in any of the following circumstances:

- 7.1 All parties to the Transaction request to handle the Dispute on their own;
- 7.2 Any of the parties in the Dispute notifies the Platform Operator that they are terminating the process or the Platform Operator is otherwise informed that a judicial or an arbitration process has been instituted with respect to the Dispute;
- 7.3 Any other matter affecting the resolution of the Dispute occurs and the Platform Operator deems it is necessary to suspend the resolution process.



## 8. Supplementary Provisions

8.1 The Rules shall be effective on January 1, 2019.

8.2 The Rules shall be interpreted by the Platform Operator.

8.3 The Platform Operator reserves the right to amend the Rules or formulate the supplementary rules and publicize the amended rules or the supplementary rules from time to time. The amended rules or relevant supplementary rules will be effective on the designated date in the public announcement. The Rules shall be legally binding on all relevant parties on the Platform from the effective date.