

Transaction Rules

1 General provisions

- 1.1 The Transaction Rules (the “Rules”) are basic rules for the transaction behaviors and procedures of Registered Members to the EPEC International E-commerce platform (the “Platform”), which is made pursuant to relevant laws and regulations such as the E-commerce Law of the People’s Republic of China by the EPEC Ecommerce Co., Ltd., (the “Platform Operator”), operator of the Platform.
- 1.2 In providing goods or services, the Platform Operator and the Supplier Members shall satisfy the requirements for protection of personal safety, property security and the environment, and will not provide goods or services prohibited by laws and administrative regulations.
- 1.3 In tie-in sales of goods or services, the Platform Operator and the Supplier Members shall highlight prominently to other Registered Member’s attention, and may not put the tie-in goods or services as default option.
- 1.4 The Platform Operator and the Supplier Members shall deliver goods or services to other Registered Members in accordance with the method and deadline committed or agreed with other Registered Members, and bear the risks and obligation for transportation of goods, except where other Registered Members separately select a courier service provider.
- 1.5 Where the Platform Operator imposes measures such as warning, suspension or termination of service etc. on a business operator who has violated laws and regulations following relevant platform’s service agreement and the Rules, the Platform Operator will make an announcement in a timely manner.
- 1.6 The Platform Operator and the Supplier Members shall forward notifications to users regarding matters such as steps for conclusion of contract, matters that should be pay attention to, and method for downloading etc. in a clear, complete and specific manner, and ensure that the users are able to read and download the notifications conveniently and fully.
- 1.7 The Rules apply to all transaction activities made by the Registered Members on the Platform.

2 Definitions

- 2.1 “Transactions” means, within the scope of tradable goods specified by the Platform, the trade mode in which the Supplier Members (including Procurement Manager Function Service Supplier, or the Platform Operator) release information on the Platform and the Buyer Members purchase at their own discretion, and the Buyer Members and Supplier Members sign orders offline and deliver and receive the goods in accordance with the terms contained in such orders. “Transactions” also include the trade mode pursuant to Article 5.2 of Limitation of liabilities of Epec Procurement Management (For Buyer Members), where the Procurement Manager Function Service Supplier selects a Supplier to reach an offline agreement, and the Procurement Manager Function Service Supplier, as a party in an offline transaction, signs an agent contract or purchase contract with the Buyer.
- 2.2 Order: order credentials sent from Buyer Members to Supplier Members.

3 Rights and Obligations of the Registered Members

3.1 Registered Member’s rights:

- 3.1.1 Conduct transactions on the Platform;
- 3.1.2 Release supply and demand information on the Platform;
- 3.1.3 Participate in workshops, training courses and other activities organized by the Platform;
- 3.1.4 Give opinions and/or suggestions on the Platform’s performance;
- 3.1.5 Others rights the Registered Members have under the Rules.

3.2 Obligations of the Registered Members:

- 3.2.1 In providing goods or services, Registered Member shall satisfy the requirements for protection of personal safety, property security and the environment, and shall not provide goods or services prohibited by laws and administrative regulations.
- 3.2.2 Abide by the Platform rules about transactions, accept supervision and management by the Platform and carry out transactions lawfully and honestly;

- 3.2.3 Properly keep the transaction accounts, and assume complete responsibility for the losses and consequences incurred from transaction account leakage, loss and publicity due to the use of a transaction account on the platform and the user's personal reasons;
- 3.2.4 When the enterprise' name, legal representative, scope of business or contact information changes, the enterprise manager shall promptly modify such information on the Platform;
- 3.2.5 Abide by laws and regulations and pay taxes and fees as regulated by relevant laws and regulations;
- 3.2.6 Take good care of the Platform facilities and protect the reputation of the Platform;
- 3.2.7 Other obligations in accordance with applicable laws, the Rules and other agreements between the Platform Operator and the Registered Members.

4 Transaction Process

- 4.1 The conduct of entering into and performing contracts through the automated information system by the Registered Members have legal effects on Registered Members who use the system. When engaging in transactions on the Platform, the Registered Members shall guarantee they have relevant capacity for civil conduct.
- 4.2 Supplier Members shall disclose information of goods or services fully, truthfully, accurately and promptly, and protect other Registered Members' right of information and right of selection. Registered Members shall not use false transactions, fabricated user review etc. to conduct false or misleading business promotion, so as to defraud or mislead other Registered Members.
- 4.3 When the Supplier Members release information, sell goods and/or services:
 - 4.3.1 The Supplier Members shall release goods information according to relevant requirements of the Platform, in accordance with the Rules of Releasing Products. The Supplier Members are responsible for verifying the goods information and ensuring the goods information is consistent with the real goods, and the Supplier Members shall take ultimate responsibility for all consequences caused by any inconformity, if applicable.

- 4.3.2 The Buyer Members select goods and/or services on the Platform and negotiate. The rights and obligations of the Buyer Members are governed by the applicable rules of the Platform.
- 4.3.3 After the Buyer Members and the Supplier Member through the assistance of the Procurement Manager completes negotiations regarding the purchase intention, the Procurement Manager will facilitate the finalization of corresponding operations in the system on a timely basis and inform the parties to sign the contract. The Buyer Members agree that the results of online discussions as negotiation basis is simply for the convenience for further contract signing, and do not constitute offers, promises or counteroffers, or acceptance. Contents of the relevant discussions do not constitute terms and conditions in the contracts, such final contracts entered into by and between the parties supersede and replace all prior discussions on the subject matter.
- 4.3.4 In providing service or goods, the Platform Operator and Supplier Members will issue proof of purchase of goods or services such as hard copy invoice or electronic invoice pursuant to the law. Electronic invoices and hard copy invoices shall have equal legal validity.
- 4.3.5 Where the Platform Operator and Supplier Members collect a deposit from other Registered Members as agreed, they will clearly state the method and procedures for refund of the deposit, and shall not impose unreasonable conditions for refund of the deposit. When other Registered Members apply for refund of the deposit and satisfy the criteria for the refund, the Platform Operator and Supplier Members will promptly refund the deposit.
- 4.3.6 The Platform Operator may, based on the platform service agreement and transaction rules, provide warehousing, logistics, payment and settlement, delivery and collection services for e-commerce between the business operators. The services provided by Platform Operator for e-commerce between the business operators shall comply with laws, administrative regulations and the relevant provisions of the State, and shall not carry out transactions by way of centralized transaction methods such as centralized bidding, market maker etc., and shall not carry out standardized contract transactions.

5 Click Farming

- 5.1 Click Farming means the conduct of boasting the performance on the Platform through false transactions by the Registered Members. Suspected Conduct refers to the transaction that has the potential of Click Farming, which was found by monitoring the trading data on the EPEC Platform and then filtered out through logic judgment and analytical selection.
- 5.2 In the case of a Suspected Conduct of Click Farming, the Platform Operator will notify the Registered Member in writing (including through email). Registered Members shall provide relevant documents and certificates on such transactions in writing (including through email) within 10 business days to prove that such transactions are not false transactions. Otherwise, such transactions will be deemed as Click Farming. If effective documents are not provided within 10 business days due to the Member, such transactions will be deemed as Click Farming.
- 5.3 Regarding transactions that are deemed as Click Farming, the Platform has the right to take corresponding measures or initiate corresponding legal actions against the Registered Members.

6. Information Release and Transaction Information Inquiry

- 6.1 By releasing documents and bulletins, the Platform Operator provides the Registered Members with goods' market information and relevant rules of transactions.
- 6.2 Registered Members shall disclose information of goods or services truthfully, objectively and effectively, and protect other Registered Members' right of information and right of selection. Registered Members shall not use false transactions, fabricated user review etc. to conduct false or misleading business promotion, so as to defraud or mislead other Registered Members.
- 6.3 The Registered Members can search transaction information of historical orders through the Platform.
- 6.4 Registered Members collecting and using information of other Registered Members shall comply with the provisions of laws and administrative regulations on protection of information.

7 Other Regulations

7.1 The Registered Members shall not conceal from or cheat the other parties in the transactions, manipulate the transactions, or use or assist others to do such behaviors.

7.2 The Registered Members shall not use any device, software or program to intervene with or try to intervene with the normal operations of or transaction behaviors on the Platform, and shall not take any unreasonable or non-proportional overload behaviors to threaten or damage the Platform's network structure.

7.3 To effectively avoid risks, the Platform has the right to decide to postpone transaction time, close the transactions in advance, or suspend transactions in case of force majeure or other factors that affect normal operation of the Platform. In general, before making such decisions, the Platform shall make announcements in advance. The Platform Operator may also take such other actions are permitted by the Service Agreement.

7.4 Registered Members collecting and using information of other Registered Members shall comply with the provisions of laws and administrative regulations on protection of information.

7.5 Registered Members shall not blind, deceive their counterparties in the transactions or manipulate transactions. When they have market dominance due to their technological technical advantages, their number of users, their control over related industries, and other business operators' reliance on the said Registered Members in terms of transactions, the Registered Members shall not abuse its market dominance position to eliminate or restrict competition.

7.6 Where a Registered Member ceases to engage in e-commerce business, it shall announce the relevant information prominently and continuously on its home page 30 days in advance. If during this announcement period, there are unfinished matters such as ongoing business or disputes relating to quality, the Registered Member shall not cease the e-commerce business until such matters have been resolved. However, after the expiration of the announcement period, the Platform will no longer support the Supplier Member in engaging in new transactions before such disputes are resolved.

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.