

Special Regulation No. 9

Concerning Commercial Activities by Official Participants

**Beijing International Horticultural Exhibition
Coordination Bureau**

CHAPTER I GENERAL PROVISIONS

Article 1 Purpose

Pursuant to Articles 22, 23, 24, 25, 26 and 37 of the *General Regulations* of the International Horticultural Exhibition 2019, Beijing, China (hereinafter referred to as the “Expo”), this *Special Regulation* lays down the rules for commercial and other activities of Official Participants in the Expo site (hereinafter referred to as “Expo Site”).

Article 2 Applicability

1. The commercial activities in the context of this *Special Regulation* refer to the operation of restaurants and sales of goods by Official Participants in their respective sections approved by the Organizer.

2. The restaurants operated by Official Participants shall mainly serve their national food or specialties from their country.

3. Official Participants may sell to the general public photographs, slides, postcards, sound and video recordings (including films, CDs, DVDs or other electronic media), books and stamps from their countries or relating to the organizations. Subject to the Organizer’s approval, Official Participants may also sell limited types of articles which are truly representative of their respective countries (excluding imported animals). Imported plants may only be sold subject to relevant customs and

quarantine requirements and procedures to be followed. Such articles may be replaced during the course of the Expo.

Article 3 Compliance with Laws and Regulations

1. All Official Participants shall comply with the *Paris Convention Relating to International Exhibitions* signed on November 22nd, 1928 as amended and supplemented, the *General Regulations* and the *Special Regulations* of the Expo, the relevant laws, regulations, rules, and the additional instructions and directives issued by the Organizer pursuant to the *General Regulations* and the *Special Regulations* of the Expo (hereinafter jointly referred to as “the Laws and Regulations”).

2. The additional instructions and directives are issued by the Organizer to provide more information on related subjects and further specify the rights and obligations of Official Participants and the Organizer.

3. The Organizer has the authority to instruct Official Participants to cease their commercial activities if the said activities violate the Laws and Regulations. Official Participants shall follow the directives of the Organizer and bear the responsibility and losses arising therefrom.

4. Official Participants shall ensure that the persons and entities involved in commercial activities observe the Laws and Regulations and the provisions of the *Participation Contract* in the Expo Site.

CHAPTER II AUTHORIZATION OF COMMERCIAL ACTIVITIES

Article 4 Responsibilities of Commissioner General of Section

1. Pursuant to Paragraph 2 of Article 22 of the *General Regulations*, the Commissioner General of Section shall have full responsibility for commercial and other activities in each national section approved by the Organizer. Regardless of the forms in which an Official Participant assigns its commercial activities to a third party, the Commissioner General of Section of the Official Participant shall have direct responsibility for the act of the said third party.

2. Pursuant to Article 7 of this *Special Regulation* and the *Participation Contract*, Official Participants shall pay the Organizer royalties arising from their commercial activities. The Commissioner General of Section or his/her designated representative shall collect and deliver the royalties to the Organizer.

3. Official Participants shall pay taxes on their commercial activities pursuant to the Laws and Regulations.

Article 5 Approval for Commercial Activities

1. Official Participants shall submit in advance to the Organizer for approval proposals on the type of restaurants to be operated, the type, price and the price labeling of the food and goods to be sold, and the

location, area, size, style, capacity and management methods of the commercial establishments. Such proposals shall also be submitted to the relevant Chinese authorities for final examination and approval.

2. Official Participants shall obtain the Organizer's approval before installing automatic vending machines for their commercial activities. The automatic vending machines shall clearly display the information and certificates of the operation entities in a conspicuous place complying with the Laws and Regulations.

3. Any change to the above items shall be subject to the consent of the Organizer.

Article 6 Areas for Commercial Activities

1. Pursuant to Paragraph 3 of Article 22 of the *General Regulations*, the space to be used by an Official Participant for commercial activities (including the kitchen, storage area and sales area) shall not exceed 20% of the total covered exhibition areas or 100 square meters, whichever is the smallest area. For exhibition areas that are larger than 2000 square meters, the area allocated to commercial activities should be determined through negotiation between the Organizer and the Official Participant.

2. Official Participants shall conduct commercial activities only within the area approved by the Organizer. Without the approval of the Organizer, Official Participants may not change the area for commercial

activities or conduct commercial activities elsewhere.

3. The commercial activities by the Official Participants shall not detract attention from the gardens and plants as the main focus of the Expo, and should complement the horticultural aspects of their exhibitions.

Article 7 Royalties

1. Official Participants shall pay the Organizer royalties arising from their commercial activities. Royalties shall be collected and delivered to the Organizer by the Commissioner General of Section or his/her designated representative.

The royalties shall be paid monthly and specific measures in this regard shall be formulated by the Organizer separately.

2. Royalties shall be calculated as a proportion of the after-tax revenues (i.e. the turnover excluding the V.A.T) from commercial activities as follows:

(1) Restaurants: 8%;

(2) Boutiques: 10%.

3. The outstanding royalties shall be paid within two months after the end of the Expo to a bank account whose details will be provided by the Organizer separately.

Article 8 Handling of Sales Income

1. Each Official Participant shall keep a record of daily sales income and report it to the Organizer in a way specified by the Organizer. The Official Participant shall open an account at a bank designated by the Organizer and deposit the daily sales income in that account within the time limit set by the Organizer. The Organizer may require the Official Participant to provide a detailed report on its sales income and account statements in a specified time, and audit, when necessary, the financial situation of the commercial activities.

2. Official Participants shall use the cash register system designated by the Organizer to handle the sales income from their commercial activities.

Article 9 Confirmation and Examination of Commercial Activities

1. The Organizer may carry out on-site inspections of the commercial facilities of Official Participants to see if the facilities are legitimately operated in compliance with the Laws and Regulations. In such cases, the Organizer's representative or each inspector shall carry relevant credentials and present them upon request by the Official Participant or other party concerned.

2. The Organizer may, based on the result of on-site inspections, direct the Official Participant concerned to take necessary remedial

measures or measures of improvement. The Official Participant shall follow the directives of the Organizer.

Article 10 Sale of Exhibits after the Closing of the Expo

1. After the closing of the Expo, Official Participants may sell the exhibits (excluding propagating materials), installation materials and other items used during the Expo. Imported plants may only be sold subject to the relevant customs and quarantine requirements and procedures to be followed. No royalties shall be paid to the Organizer on such sales.

2. If the above-mentioned items are sold by an Official Participant, they shall not enjoy the benefit of temporary admission, and shall be subject to the completion of import procedures, submission of the import license, the import inspection and quarantine as well as payment of applicable taxes in accordance with the Laws and Regulations.

Article 11 Publicity

1. Official Participants may carry out publicity activities such as putting up and distributing advertisements, posters, notices, printed publications and other relevant publicity materials within their sections. With the approval of the Organizer, Official Participants may place publicity materials outside their exhibition areas. All the publicity

materials shall bear the names and symbols of the Official Participants and indicate their exhibition items, and shall be subject to the examination of the Organizer. The publicity activities of Official Participants shall be conducted in compliance with the Laws and Regulations.

2. All the advertisements of Official Participants shall be in conformity with the Laws and Regulations as well as the requirements set forth by the Organizer. If a light-box advertisement needs to be installed, the Official Participant shall submit the design plan with a description of the specifications and location of the installation to the Organizer for approval.

3. Official Participants shall not carry out publicity concerning special events on the site without the authorization of the Organizer.

4. To ensure the security, order and harmony of the Expo, the Organizer may direct Official Participants to alter or remove their advertisements. The Official Participants concerned shall follow the directives of the Organizer.

5. Without the consent of the Organizer and the relevant Commissioners General of Section, Official Participants shall not use, either inside, or outside the Expo Site, the names of other countries, regions, cities, or any other similar names, and image, logo, marks, mascots and other signs of the Expo for which the Organizer holds the

intellectual property right, whether for commercial purposes or not, be they in the form of boards, signs, printed publications, photos, drawings, electronic images, internet or any other form.

6. Brochures and leaflets may only be distributed within the enclosure of the exhibition areas. Official Participants shall not create noise/ excessive noise or use loudspeakers outside their exhibition areas to attract visitors and promote their items.

Article 12 Entertainment and Special Events

1. If they wish to hold entertainment and special events, presentations or meetings at the Expo Site, Official Participants shall submit their plans for approval to the Organizer six months prior to the opening of the Expo.

2. With the approval of the Organizer, Official Participants may arrange shows (including music, dance and other performances), special events, presentations or meetings relating to the theme of the Expo within the areas of their commercial activities.

3. No admission fees or administrative fees shall be charged by the Official Participants or the Organizer for the special events referred to in the preceding paragraph.

4. Upon the premise of non-infringement of intellectual property rights, the Organizer shall have the right to make sound, image and video

recordings of events organized by Official Participants and have them published, distributed, broadcast on the radio or television, and transmitted through networks.

Article 13 Distribution of Samples and Foodstuff

1. Official Participants may distribute to visitors within their own sections free samples and foodstuff representing their national food or specialities from their countries (excluding imported plants and propagating materials).

2. The Official Participant who intends to distribute free samples and foodstuff shall submit to the Organizer for approval an application, including a list of items to be distributed, their quantity, time and place. All free samples and foodstuff to be distributed shall be clearly indicated to visitors by the Official Participant.

3. In case the Official Participant violates the Laws and Regulations in the course of distributing free samples and foodstuff or the distribution is detrimental to the security, order and harmony of the Expo, the Organizer may revoke its approval and direct that such activities be stopped.

Article 14 Restaurant for Staff

With the approval of the Organizer, each Official Participant may set

up a restaurant for the exclusive use of its own staff within its exhibition area. Such restaurant shall not be open to the public. The Official Participant shall not pay any royalties to the Organizer for the staff restaurant.

CHAPTER III OPERATION OF COMMERCIAL ACTIVITIES

Article 15 Business Hours

1. The business hours of commercial activities shall be determined by the Organizer in light of the type and location of commercial activities of Official Participants and the daily opening hours of the Expo.

2. The opening hours of a boutique of an Official Participant selling souvenirs shall be the same as those of its exhibition area. The opening hours of a restaurant of an Official Participant shall be in conformity with the provisions specified in *Special Regulation No. 13 concerning admissions*.

3. Under urgent circumstances, such as force majeure, the Organizer may ask Official Participants to change the business hours of their commercial activities to ensure the successful running of the Expo. Official Participants cannot claim any compensation for eventual losses resulting from such changes.

4. Official Participants may not suspend commercial activities

during business hours without prior approval from the Organizer.

Article 16 Quality of Goods for Sale

Official Participants shall, in compliance with the Laws and Regulations, ensure the quality of goods for sale and protect the legitimate rights and interests of the consumers.

Article 17 Price of Goods for Sale

Official Participants shall indicate clearly to visitors the prices of goods for sale in the commercial areas of their sections.

Article 18 Currency to be Used

Commercial activities in the Expo Site shall be settled in Renminbi (RMB). The Organizer shall provide the RMB exchange service in the Expo Site.

Article 19 Notification

Official Participants shall notify the Organizer of the names, identification card and contact information of persons in charge of commercial activities and relevant salespeople, and provide other information required by the Organizer. Official Participants shall notify the Organizer of any change in the above information in a timely manner.

Article 20 Management of Boutique and Restaurant Staff

1. Boutique and restaurant staff shall participate in training conducted by the Organizer and wear identity badges when on duty.

2. In case of breach of the Laws and Regulations or disruption of order of the Expo by the boutique or restaurant staff, the Organizer may direct the Official Participant concerned to ensure that they leave the Expo Site or stop them from engaging in commercial activities. The Official Participants shall follow the directives of the Organizer.

Article 21 Transport of Goods

Official Participants shall comply with the requirements set forth by the Organizer when transporting goods, materials, equipment and other items related to commercial activities.

Article 22 Prohibition of Sale of Goods in Breach of Intellectual Property Rights

1. Official Participants shall abide by the prescriptions which shall be set forth in *Special Regulation No. 11 concerning intellectual property rights* and shall not infringe upon intellectual property rights when conducting commercial activities.

2. The Official Participants shall assume corresponding responsibility in case of breach of intellectual property rights in

accordance with the Laws and Regulations.

Article 23 Use of Expo Symbols

Without the approval of the Organizer, Official Participants shall not use in their commercial activities the emblem, flag, mascots or other symbols of the Expo for which the Organizer holds intellectual property rights.

Article 24 Construction of Area for Commercial Activities

Official Participants shall abide by *Special Regulations No. 4 concerning construction, installation, workplace safety, fire prevention and environmental protection* and *Special Regulation No. 5 concerning the installation and operation of machinery and equipment* in designing and construction of the areas for their commercial activities and the installation of equipment thereupon. They shall bear the related expenses incurred.

Article 25 Sanitation

Official Participants shall follow the provisions for health and sanitation specified in *Special Regulation No. 10 concerning general services* when conducting commercial activities.

Article 26 Environmental Protection

Official Participants shall comply with *Special Regulation No. 4 concerning construction, installation, workplace safety, fire prevention and environmental protection* and take all necessary measures to protect the environment of the Expo Site against any damage or pollution when conducting commercial activities.

Article 27 Waiver

The Official Participants shall ensure the waiver of subcontracting, leasing, mortgaging of facilities and commercial operations without the authorization of the Commissioner General.

Article 28 Recommendation of Suppliers of Restaurant Provisions

The Organizer will provide the Official Participants with a list of recommended suppliers of restaurant provisions.

Article 29 Liability for Infringement

Official Participants shall be held liable for any damage caused to consumers by their commercial activities as provided for in the Laws and Regulations.