
GENERAL TERMS AND CONDITIONS OF PURCHASE

Status: December 2022

1. Scope of application; deviating terms and conditions; individual agreements; form

- 1.1 These General Terms and Conditions of Purchase ("GTCP") apply to all business relationships with our suppliers and service providers ("Seller"). "Buyer" or "we" within the meaning of these GTCP is KARL MAYER (China) Ltd. and its affiliated companies.
- 1.2 The GTCP apply in particular to contracts for the purchase and/or delivery of movable goods, digital products and/or goods with digital elements ("Goods"), irrespective of whether the Seller manufactures the Goods itself or purchases them from suppliers. Unless otherwise agreed, the GTCP in the version valid at the time of the Buyer's order shall also apply as a framework agreement for similar future contracts without us having to refer to them again in each individual case. These GTCP apply exclusively. Deviating, conflicting or supplementary General Terms and Conditions of the Seller shall only become part of the contract if and to the extent that we have expressly consented to their application in writing. This requirement of consent shall apply in any case, for example even if we accept the Seller's deliveries without reservation in the knowledge of the Seller's general terms and conditions. The execution of the order shall be deemed as acceptance of our GTCS even if the Seller has confirmed our order with deviating terms and conditions.
- 1.3 Individual agreements made with the Seller in individual cases (including ancillary agreements, supplements and amendments) shall take precedence over these GTCP. Subject to proof to the contrary, a written contract or our written confirmation shall be authoritative for the content of such agreements.
- 1.4 Changes in the type or composition of the processed material or in the constructional design compared to previous deliveries and services of the same type that affect our orders also require our written consent and must be notified to us prior to the start of production. We are not obliged to examine deliveries and services for similarity after receipt.

- 1.5 Legally relevant declarations and notifications by the Seller with regard to the contract (e.g. setting of deadlines, reminders, withdrawal) must be made in writing, i.e. in written or text form (e.g. letter, e-mail, fax). Legal formal requirements and further proof, in particular in case of doubts about the legitimacy of the person making the declaration, shall remain unaffected. The correspondence - of whatever kind - shall be conducted separately for each order, stating our order number each time.

2. Orders and delivery schedules; conclusion of contract

- 2.1 Our orders and call-offs constitute confirmations of our prior contractual negotiations with the Seller.
- 2.2 The Seller shall respond to our orders and delivery schedules in writing within a period of 10 days and provide an order confirmation with binding prices and delivery times or execute the order or delivery schedule without reservation, in particular by dispatching the goods, provided that we have ordered/called for immediate delivery. If the Seller does not reject our order or our delivery call-off in writing within 10 days, our order or our delivery call-off shall be deemed accepted.

3. Information obligations, quality and scope of delivery

- 3.1 The Seller must obtain knowledge of our conditions of use and operation. The Seller must check information provided by us, approved drawings, specifications and requirement specifications for factual errors on his own responsibility.
- 3.2 If the Seller should determine that its delivery is incompatible with our conditions of use and operation or a factual error pursuant to paragraph 1 sentence 2, it shall inform us thereof without delay.
- 3.3 The scope of delivery also includes operating instructions and spare parts catalogues.

4. Industrial property rights; Confidential information; Processing / mixing / combining; Means of production; gratuitous custody; retention of title

- 4.1 Drawings, drafts, samples, manufacturing specifications, etc., which we have provided to the Seller for the purpose of submitting an offer or executing an order, shall remain our property and may not be used for other purposes, reproduced or made accessible to third parties. There shall be no claim to remuneration against us for offers, design work or other preparatory work by the Seller.
- 4.2 The Seller undertakes to treat all information in connection with the business relationship, in particular of a technical and economic nature, intentions, experience, knowledge, drafts and documents, including existing results, which become known to it during the business relationship ("Confidential Information") as confidential vis-à-vis third parties - even beyond the duration of the business relationship - and not to make it accessible to third parties, to protect it from access by third parties and not to make it the subject of an application for its own property rights. Confidential information shall not, however, be information which was already known to the Seller prior to its disclosure under this contract, which was independently developed or otherwise lawfully obtained by the Seller or which is or becomes generally known without breach of this contract. If the Seller breaches this confidentiality obligation, it shall pay a contractual penalty equivalent to 20% of the value of the respective contract, unless the Seller is not responsible for the breach of duty. The appropriateness of the contractual penalty shall be reviewed by the competent court or arbitral tribunal in the event of a dispute. In the event that damages are claimed due to the breach of confidentiality, the contractual penalty shall be offset against the claim for damages.
- 4.3 A processing, mixing or combination (further processing) of provided items by the Seller shall be carried out for us. The same shall apply in the event of further processing of the goods supplied by us, so that we shall be deemed to be the manufacturer and shall acquire ownership of the product at the latest upon further processing in accordance with the statutory provisions. The items provided shall be adequately insured against fire, theft and water damage as well as other forces of nature typical at the respective place of provision.
- 4.4 Items provided may only be used for our orders. In the event of depreciation, loss or rejects, the Seller shall provide compensation. The Seller shall store the new or remodelled goods for us free of charge with the due care of a prudent businessman.
- 4.5 Models, matrices, templates, samples, tools and other means of production which are paid for by us in full or in part shall become our property to the extent of the payment. The Seller shall keep and maintain for us, free of charge, production equipment to which we have acquired title and shall insure it adequately, at its own expense, against damage by fire, water and theft. At our request, models, matrices, templates, samples, tools and other means of production must be handed over to us free of charge at any time.
- 4.6 Models, matrices, templates, samples, tools and other means of production, as well as confidential data, trade secrets and Confidential Information (in particular pursuant to clause 4.2) which we provide to the Seller or pay for in full, may only be used for deliveries to third parties with our prior written consent.
- 4.7 The transfer of ownership of the goods to us shall be unconditional and without regard to the payment of the price. If, however, in individual cases and in deviation from this clause, we accept an offer by the Seller to transfer title conditional on payment of the purchase price, the Seller's retention of title shall expire at the latest upon payment of the purchase price for the goods delivered. We shall remain authorised to resell the goods in the ordinary course of business even before payment of the purchase price, with advance assignment of the claim arising therefrom. This excludes all other forms of retention of title, in particular the extended retention of title, the passed-on retention of title and the retention of title extended to further processing.
- 5. Prices; terms of payment; rights of set-off and retention; conditions of assignment**
- 5.1 The price stated in the order is binding. The prices include delivery DDP (Incoterms® 2020) at the place of delivery named in the order / in the delivery call-off, including unloading at the expense and risk of the Seller, excluding statutory VAT.
- 5.2 Unless otherwise agreed in individual cases, the price shall include all services and ancillary services of the Seller (e.g. assembly, installation) as well as all ancillary costs (e.g. import and export costs, proper packaging, transport costs including any transport and liability insurance).
- 5.3 The price stated in the order is due for payment within 14 days with a 3% discount or within 30 days with a 2% discount on the net amount from the date of complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. In the case of bank transfer, payment shall be deemed to have been made on time if our transfer order is received by our bank before expiry of the payment deadline; we shall not be responsible for processing times by the banks involved in the payment process. In the event of acceptance of early deliveries, the due date shall be based on the originally agreed delivery date.
- 5.4 We do not owe any interest on arrears. The statutory provisions shall apply to default in payment.
- 5.5 The Seller shall have no right of set-off or retention unless the counterclaim has been legally established, is ready for decision or is undisputed.
- 5.6 Without our prior written consent, the Seller is not entitled to assign its claims against us or to have them collected by third parties.
- 6. Delivery; Packaging; Spare parts**
- 6.1 Unless otherwise agreed, the Seller shall deliver DDP (Incoterms® 2020) at the place of delivery named in the order / in the delivery call-off, including unloading at the Seller's expense and risk, and the risk shall not pass to us, even if dispatch has been agreed, until all the Seller's obligations arising therefrom and from the order and from these GTCP have been fulfilled.
- 6.2 Each delivery must be accompanied by a delivery note in which the delivery is to be precisely broken down according to type, quantity and weight. Delivery notes, waybills, invoices and all correspondence must contain our order and item number as well as material number and designation and, if applicable, object designation. Data sheets, operating instructions, test certificates, approvals and other documentation must always be enclosed with the invoice or delivery note in the agreed formats and languages. The Seller shall also - without prejudice to clause 9.7 - provide us with all documents required for export, import and transit or transport. Failure to comply with the requirements set out in this clause 6.2 shall entitle us to refuse to accept the goods at the Seller's expense and risk.
- 6.3 The Seller is obliged to pack the deliveries or have them packed in such a way that transport damage is avoided. Packaging materials shall only be used to the extent necessary to achieve this purpose and as environmentally friendly as possible. If a delivery contains different delivery items, this shall be specifically

- indicated. The different delivery items shall be packed individually and marked in such a way that they are clearly distinguishable from each other. The deliveries must be packed separately according to storage type and storage area and marked accordingly. The Seller shall take back the packaging at his own expense. Our specifications on the type of packaging and labelling of the contents must be complied with.
- 6.4 If the Seller intends to discontinue the production of spare parts for the goods delivered to us, it shall notify us of this in writing without undue delay after the decision on the discontinuation. This notification must be made at least twelve months before production is discontinued. This will enable us to order spare parts in sufficient quantity for the products delivered to us before production is discontinued (last-order option).
- 7. Delivery Dates; Default; Withdrawal**
- 7.1 The Seller is aware of the importance of adhering to the agreed delivery dates. Agreed delivery dates are therefore binding on the Seller, run from the date of issue of the order and can only be changed with our written consent. If a delay in delivery occurs or becomes apparent, we must be notified of this in writing, stating the reasons and the expected duration of the delay. Neither the notification nor silence in response to this notification shall constitute an acknowledgement of the new delivery date.
- 7.2 Premature deliveries, as well as partial deliveries or over- and/or under-deliveries are not permitted, unless otherwise agreed - for example for production-related reasons; we are entitled not to accept and to return such deliveries or to store them until the delivery date with us or third parties at the expense and risk of the Seller.
- 7.3 **The Seller may only plead force majeure if it is not responsible for the event in question and had also taken appropriate precautions (selection and establishment of several suitable upstream suppliers, alternative production resources, etc.) which do not take effect for unforeseeable reasons.** Only objective impossibility can be considered as impossibility. The Seller cannot object to disproportionate costs, unless force majeure exists in the aforementioned sense. In the event that we are temporarily or generally prevented from accepting or taking delivery of the supplies and services and this is due to force majeure or impossibility (which may also be due to disproportionate costs on our part), we may invoke impossibility and withdraw from the contract. We shall then not provide any compensation.
- 7.4 The decisive factor for compliance with the delivery date is the fulfilment of all obligations by the Seller at the timely point in time.
- 7.5 If the Seller fails to perform within the agreed delivery period (unless the Seller is not responsible for the failure to perform) or is otherwise in default, the Seller shall be obliged,
- (a) compensate us for any damage caused by delay. This applies in particular to consequential damages, such as loss of profit, downtime costs, retooling costs, additional costs from covering purchases as well as increased costs for an accelerated shipping method that become necessary due to missed deadlines caused by the delay;
- (b) pay a contractual penalty equivalent to 20% of the value of the respective contract, the appropriateness of which shall be reviewed by the competent court or arbitral tribunal in the event of a dispute. In the event that damages are claimed due to the breach of confidentiality, the contractual penalty shall be offset against the claim for damages.
- 7.6 If the Seller fails to perform in due time, we may - after a period of time to be determined by us (which is dispensable if the Seller refuses to perform or if there is imminent danger or if setting a period of time is unreasonable for us) - withdraw from the contract (also for other related deliveries and services or other transactions in which there is no longer any interest). We reserve the right to assert further statutory rights.
- 7.7 We have the right to (partially) withdraw from the contract with the Seller in the following situations - without prejudice to the statutory provisions and clauses 7.3 and 7.6:
- (a) If a significant deterioration in the economic circumstances of the Seller occurs, in particular if sustained seizures or other enforcement measures are taken against him or if judicial or extrajudicial insolvency proceedings are opened, in particular if the Seller has made a declaration. Our right of withdrawal is limited to parts of the contract whose performance is affected by the aforementioned events, for example because there is a threat of the Seller's performance to us being contested.
- (b) If the Seller breaches its duty of care in respect of items owned by us (for example, items provided by us or transferred to our ownership under clause 4).
- (c) In the event that our sales opportunities cease. Our right of withdrawal is limited here to goods not yet manufactured / ordered by the Seller for us. Goods shall be deemed to have been manufactured / ordered for us within the framework of successive delivery contracts (for example in the case of quantity contracts, contracts with an extended call-off date for the Seller's performance) at the earliest when we have initiated a corresponding call-off of the order in the individual case. The Seller can prove that he has already manufactured / ordered the goods for us by submitting suitable documents. The Seller undertakes not to manufacture / order goods for us unnecessarily in stock, but with the shortest possible time interval to the expected or agreed call-off of the order ("just-in-time production").
- (d) **The Seller hereby expressly acknowledges that as a company headquartered in Germany, we shall strictly abide by the provisions of the German Supply Chain Due Diligence Act ("LkSG") in supply chain management.** If the Seller violates provisions of LkSG, we will be entitled to (partially) withdraw from the contract with the Seller. Furthermore, we are free to temporarily suspend the business relationship.
- 8. Document submission requirement**
- The Seller shall grant us, or a person commissioned by us and bound to secrecy vis-à-vis third parties, access to the relevant books or other documents / files during normal business hours for the purpose of enabling us to monitor compliance with the agreed just-in-time production. We will not exercise these inspection rights more frequently than annually, unless the behaviour of the Seller gives cause for a more frequent inspection.
- 9. Area of application; Legal product requirements; Obligation to provide evidence; Foreign trade obligations; Supply chain**
- 9.1 Our products are used worldwide, in particular also in Asia. The Seller is responsible for the marketability of the goods in the corresponding area of use. He must comply with the relevant regulatory and statutory provisions in the version applicable at the time of delivery. In particular, he shall present the goods in such a way that it is possible for us to manufacture marketable products from the goods in accordance with the regulatory provisions. We shall inform the Seller about the intended use of the goods.

- 9.2 The Seller is - to the extent permitted by law and not otherwise agreed between the contracting parties - the manufacturer of the goods within the meaning of the relevant standards and laws.
- 9.3 Without prejudice to clause 9.1, the Seller shall in particular be responsible for ensuring that the delivered goods, including custom-made products, as well as their packaging, comply with the relevant statutory provisions, including all standards required for CE marking, the safety recommendations and relevant rules and regulations of the competent professional bodies or trade associations (VDE, DIN, TÜV etc.) and the employers' liability insurance association (UVV) as well as the trade supervisory office and the current state of the art as well as DIN, EN, ISO, VDE, VDI, CCC or equivalent) and the employers' liability insurance association (UVV) as well as the trade supervisory office and the current state of the art as well as DIN, EN, ISO, VDE, VDI, CCC or equivalent standards and industry standards. The protective devices required according to the accident prevention regulations as well as any instructions of the manufacturer shall be supplied.
- 9.4 Without prejudice to clause 9.1, the Seller shall affix to the Goods, including custom-made products, and their packaging, the (product) markings (such as CE marking, WEEE marking) required by law, as well as batch numbers, warnings and care instructions. If, due to the complexity of the goods or for other reasons, certain rules must be observed when using, supplementing or maintaining the goods in order to ensure the protection of the safety and health of persons, the Seller must also enclose appropriate instructions for use.
- 9.5 Without prejudice to clause 9.1, the Seller shall observe the provisions of the law on materials, chemicals, environmental protection, safety, accident prevention and occupational health and safety applicable at the time of delivery when delivering and manufacturing the goods. In particular, the Seller warrants that it has not made or will not make any benefits to our employees in connection with our order, including its initiation and the business relationship resulting therefrom. The Seller undertakes not to use any companies as sub-suppliers which use child labour or tolerate forced labour for the manufacture of products. If necessary, the Seller shall supply the necessary accompanying documents (safety data sheets, etc.) at his own expense.
- 9.6 The Seller shall prove compliance with the requirements defined in the above clauses for the goods in particular by means of test reports and/or marketability certificates from independent and accredited testing institutes at its own expense, unless we exceptionally waive such proof in writing or such proof is disproportionate in relation to the production costs as a whole.
- 9.7 The Seller shall provide all relevant customs and export control data (cf. clause 6.2) at its own expense. In particular and to the extent relevant or necessary for the relevant customs or export procedure, Seller undertakes to provide the following customs and export control data:
- (a) Country of origin,
 - (b) Customs tariff number (statistical commodity code),
 - (c) Export list number (AL number) according to the German export list or the version of the Dual-Use Regulation valid at the time of delivery (as of August 2022: VO(EU)2021/821) or its successor,
 - (d) Export Control Classification Number (ECCN) according to the US Export Administration Regulations (US EAR),
 - (e) Information on US origin, also for individual parts/components of the material supplied,
 - (f) information on preference and preferential origin, and
 - (g) Markings of other national export regulations.
- 9.8 The Seller shall include the data defined in clause 9.7 on all delivery documents (such as packing slips and delivery notes), quotations and delivery contracts. Alternatively, the Seller may provide a supplier confirmation for all materials supplied by it or a blanket declaration.
- 9.9 As previously agreed, The Seller undertakes to comprehensively comply with, implement and document the requirements of the LkSG. This applies in particular to the Seller's own business area as well as with regard to any direct and indirect suppliers in accordance with the regulations standardised in the LkSG.
- 9.10 Within the scope of its legal possibilities, the Seller shall ensure that its sub-suppliers comprehensively comply with and implement the requirements of the LkSG.
- 10. Securing property**
- 10.1 We reserve the ownership and any rights of use under applicable law to orders placed by us, orders as well as drawings, illustrations, calculations, descriptions and other documents made available to the Seller. The Seller may not make them available to third parties or use or reproduce them himself or through third parties without our express consent. He shall return these documents to us in full at our request if they are no longer required by him in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. In this case, copies made by the Seller must be destroyed.
- 10.2 Manufacturing equipment, tools, devices and models which we make available to the Seller or which are manufactured for contractual purposes and are charged separately exclusively to us by the Seller shall remain our property or shall become our property. They shall be identified by the Seller as our property and shall only be used for the purposes of the contract concluded with us.
- 10.3 The items referred to in clause 10.2 shall be carefully stored and maintained by the Seller and insured against damage of any kind. This includes the obligation to insure the said items in a suitable manner, to keep them in a usable condition, and in particular to handle, maintain and care for them in a proper and professional manner. This shall be carried out without delay and, if possible, in such a way that the aforementioned items are always ready for use without restriction.
- 10.4 The Seller shall consult with us immediately before taking any measures under clause 10.3 which give rise to costs. The costs of the contractual partner measures required under clause 10.3 and confirmed after consultation shall be borne by both contractual partners - in the absence of an agreement to the contrary - in equal parts. However, insofar as these costs are attributable to defects in such items manufactured by the Seller or to improper use as well as other fault on the part of the Seller, its employees or other vicarious agents, they shall be borne solely by the Seller.
- 10.5 The Seller shall notify us immediately of any damage to the items referred to in clause 10.2 that is not merely insignificant. This also applies in the event that these items have become completely or partially unusable due to normal wear and tear, for example, or major repairs are due. They will then reach an amicable solution on how to proceed.
- 10.6 Upon request, the Seller shall be obliged to return the items referred to in clause 10.2 to us in proper condition if they are no longer required by it for the performance of the contracts concluded with us.
- 11. Defective delivery / service; quality inspection; complaints; supplementary performance; compensation and withdrawal**

- 11.1 The statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, defective assembly, operating or operating instructions) and in the event of other breaches of duty by the Seller, unless otherwise stipulated below.
- 11.2 In accordance with the statutory provisions, the Seller shall be liable in particular for ensuring that the goods have the agreed quality at the time of the transfer of risk to us. In any case, those product descriptions which - in particular by designation or reference in our order - are the subject matter of the respective contract or have been included in the contract in the same way as these GTCP shall be deemed to be an agreement on the quality. In particular, the drawing number with the technical amendment status ("index") is indicated in our orders. The Seller is obliged to check the drawings available to him for conformity with the change index specified in the order.
- 11.3 The goods must comply with the specifications, drawings and other information stated in the order and shall be inspected by the Seller prior to dispatch.
- 11.4 We are not obliged to make special enquiries about any defects at the time of conclusion of the contract or to examine the goods. To the maximum extent permitted by law, we are therefore also entitled without restriction to claims for defects even if the defect remained unknown to us at the time of conclusion of the contract due to gross negligence.
- 11.5 The statutory provisions of the Civil Code shall apply to the commercial obligation to inspect and give notice of defects with the following provisos: We shall inspect the delivered goods. However, our duty to inspect shall be limited to defects which become apparent during our incoming goods inspection under external examination including the delivery documents (e.g. transport damage, wrong and short delivery) or which are recognisable during our quality control in the random sampling procedure. Notwithstanding our other claims in the event of deviation of the goods from the agreed quality, we shall have the right to return the goods in full or to subject the goods to a full inspection at the expense and risk of the Seller. Defects or deviations which lie outside the agreed quality shall lead to rejection of the delivery.
- 11.6 Inspection of and complaints about the delivered goods do not have to be made immediately, but within a reasonable period of time due to testing procedures that may become necessary in some cases and if the both parties have not agreed on the inspection period. Payment does not imply acceptance of the delivery as being in conformity with the contract, free of defects or faults.
- 11.7 Insofar as acceptance has been agreed, there shall be no obligation to inspect. Otherwise, it depends on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered later remains unaffected. Notwithstanding our duty to examine, our complaint (notice of defect) shall be deemed to have been made without delay and in good time if it is sent within 14 calendar days of discovery or, in the case of obvious defects, of delivery.
- 11.8 If we have installed the defective item in another item or attached it to another item in accordance with its type and intended use, the Seller shall be obliged, within the scope of subsequent performance, to reimburse us for the necessary expenses for removing the defective item and installing or attaching the repaired or delivered defect-free item. The expenses required for the purpose of inspection and subsequent performance shall be borne by the Seller even if it turns out that there was actually no defect. Our liability for damages in the event of an unjustified request to remedy a defect shall remain unaffected; in this respect, however, we shall only be liable if we recognised or were grossly negligent in not recognising that there was no defect.
- 11.9 Without prejudice to our statutory rights and the provisions in clause 11.6, the following shall apply: If the Seller fails to fulfil its obligation of subsequent performance - at our discretion by remedying the defect (subsequent improvement) or by delivering an item free of defects (replacement delivery) - within a reasonable period of time set by us, we may remedy the defect ourselves and demand reimbursement of the expenses required for this from the Seller or a corresponding advance payment. If subsequent performance by the Seller has failed or is unreasonable for us (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damage), no deadline need be set; we shall inform the Seller of such circumstances without delay, if possible in advance.
- 11.10 In the event of a material defect or defect of title, we shall otherwise be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. In addition, we shall be entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.
- 12. Product and producer liability**
- 12.1 If the Seller is responsible for product damage (e.g. because the end product manufactured by us was defective due to a product defect of the Seller), the Seller shall indemnify us against claims of third parties to the extent that the cause lies within the Seller's sphere of control and organisation and the Seller itself is liable in relation to third parties.
- 12.2 Within the scope of its indemnification obligation, the Seller shall reimburse expenses arising from or in connection with a claim by third parties including recall actions carried out by us. We shall inform the Seller about the content and scope of recall measures - insofar as this is possible and reasonable - and give him the opportunity to comment. Further legal claims remain unaffected.
- 12.3 Seller shall take out and maintain an extended product liability insurance with a lump sum coverage of at least EUR 5 million or the equivalent value per personal injury / property damage.
- 13. Liability for third party property rights**
- 13.1 The Seller warrants that the goods delivered by it do not infringe any third party intellectual property rights in countries of the European Union, in China and in any other countries in which it manufactures the goods or has them manufactured.
- 13.2 The Seller is obliged to indemnify us against all claims made by third parties against us due to the infringement of industrial property rights referred to in clause 13.1 and to reimburse us for all necessary expenses in connection with this claim. This claim shall not exist insofar as the Seller proves that it is neither responsible for the infringement of industrial property rights nor should have been aware of the infringement at the time of delivery if it had exercised due commercial care.
- 14. Limitation**
- 14.1 The mutual claims of the contracting parties shall become statute-barred in accordance with the statutory provisions.
- 15. Applicable Law; Place of Jurisdiction; Severability Clause**

- 15.1 These GTCP, the contractual relationship between us and the Seller, and each individual order shall be governed by the laws of the People's Republic of China, excluding the UN Convention on Contracts for the International Sale of Goods and the conflict of laws rules.
- 15.2 Place of jurisdiction for all disputes arising from and in connection with the contract with the Seller incorporated in China or domiciled in China shall be People's Court where KARL MAYER locates, Wujin People's Court, Changzhou, China. Apart from that, the place of jurisdiction shall comply with the law.
- 15.3 If the Seller is domiciled outside the territory of the People's Republic of China (for purpose of the contract, the Hong Kong Special Administrative Region (HKSAR), the Macao Special Administrative Region (MSAR) and Taiwan region not included), it is agreed that all disputes arising out of or in connection with the present contract shall be submitted to the Shanghai International Arbitration Center ("SHIAC") for arbitration conducted in accordance with the rules and procedures of SHIAC in force at the time of arbitration. The place of arbitration shall be Shanghai. The language of the arbitration shall be English. The arbitration award shall be final and binding upon both parties.
- 15.4 If one or more of the above provisions should be or become invalid in whole or in part, this shall not affect the validity of the other provisions, which shall remain agreed. The ineffective provision shall rather be replaced by an effective one which corresponds as closely as possible to the intended economic purpose. The same shall apply if a loophole in need of supplementation arises during the performance of the contract.

Note: Since any transaction contract between us and any Seller is fully negotiated by both parties, and individual agreements made with us in individual cases (including ancillary agreements, supplements and amendments) will take precedence, these GTCP shall not be deemed as standard terms in the legal sense. Even so, we strongly recommend the Seller to peruse the parts in black font in these GTCP and to be aware of the related risks.