

## GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

### OF FRAUSCHER SENSOR TECHNOLOGY (BEIJING) CO. LTD.

Frauscher Sensor Technology (Beijing) Co. Ltd. is a subsidiary of Frauscher Sensortechnik GmbH, a company located in Austria with multiple global subsidiaries. Frauscher operates as an independent entity but benefits from the resources and support of its parent company. References to "Frauscher" in these General Terms and Conditions of Sale and Delivery ("GTC") shall include Frauscher Sensor Technology (Beijing) Co. Ltd. and Frauscher Sensortechnik GmbH, where applicable.

These GTC may be downloaded from [www.frauscher.cn](http://www.frauscher.cn) and may also be provided in hard copy upon request. The purchase of any Frauscher products or services is expressly conditioned upon the Customer's consent to these GTC.

#### 1. APPLICABILITY

- 1.1. These GTC apply to the sale and delivery of products or the provision of services by Frauscher.
- 1.2. Any applicable addendum, purchase order, proposal, quote, these GTC, or order confirmation issued by Frauscher form the parties' final agreement (the "Customer Contract"). In the event of a conflict between these documents, precedence shall apply in accordance with the order listed in the previous sentence, with the order confirmation taking priority over all other documents.
- 1.3. Frauscher's quote, offer or acceptance is expressly conditioned on the Customer's acceptance of these GTC. Any additional or conflicting terms contained in the Customer's request for proposal, specifications, purchase order or any other written or oral communication are not binding on Frauscher unless separately agreed in writing by Frauscher. Frauscher's failure to expressly reject any terms and conditions or other provisions contained on or with the Customer's documents shall not be deemed an acknowledgement or acceptance by Frauscher of those Customer terms.

#### 2. ORDER CONFIRMATION AND FORMATION OF CONTRACT

- 2.1. Orders placed by the Customer are offers to purchase and shall not be binding on Frauscher until such time that Frauscher accepts the offer by issuance of a written order confirmation (the "Order Confirmation").
- 2.2. Any proposed amendment or addenda to an order accepted/confirmed by Frauscher shall not be valid or binding unless and until Frauscher provides written approval, which Frauscher may withhold or provide at its sole discretion. Any additional costs related to such change shall be borne by the Customer.
- 2.3. Where the Order Confirmation deviates from the Customer's purchase order or similar document, the Customer must within fourteen (14) calendar days of receipt of the Order Confirmation, notify Frauscher in

writing of any such terms it finds objectional. If the Customer fails to timely object to such terms, the Customer shall be deemed to have accepted the terms of the Order Confirmation.

- 2.4. Except for the GTC, any information available to the Customer from Frauscher's website or other marketing materials or documents, are illustrative in nature and not binding upon Frauscher.

#### 3. DELIVERY; RISK OF LOSS

- 3.1. Unless otherwise agreed in writing, the products will be delivered to the place of Customer's registered address in China or other such address as advised by the Customer (the "Destination") by domestic freight. Frauscher will bear the costs of loading the goods on truck, carriage to the Destination and insurance(excluding unloading at the Destination).
- 3.2. Risk of loss and/or damage transfers from Frauscher to the Customer:
  - a) upon delivery of the products; or
  - b) if the Customer has failed to collect the products following notification from Frauscher of its readiness to ship, as set forth in clause 5.3.
- 3.3. The Customer shall obtain insurance to cover loss and damage to all shipments for the entire time period that risk of loss transfers to the Customer, and the Customer shall furnish Frauscher with proof of such insurance coverage upon request.
- 3.4. Unless and until proof to the contrary is provided, every shipment of goods is deemed to have been delivered in proper condition to the freight forwarder or other such person as designated by the Customer.
- 3.5. If risk of loss has passed to the Customer prior to delivery of the products, the Customer must assert any claims for damage against its freight forwarder before attempting to assert claims against Frauscher, unless the claim relates to a design or manufacturing defect, in which case, the process for asserting a warranty claim under clause 10 should be followed.

- 3.6. Unless otherwise agreed in writing, Frauscher's obligation to make delivery shall include standard packaging suitable for transport. Packaging for shipment by sea vessel does not constitute standard packaging and, if requested by the Customer, will be charged to the Customer.
- 3.7. Frauscher is authorised to make partial delivery and to invoice such deliveries in instalments.
- 3.8. Frauscher is entitled to effect deliveries early and will, where possible, notify the Customer of such earlier delivery dates.

#### 4. DELIVERY DATES; DELAYS

- 4.1. Unless otherwise agreed in writing, any shipping or delivery dates stated on Order Confirmations are estimated dates only. Frauscher is not liable for any loss or expense incurred by the Customer or the Customer's customers if Frauscher fails to meet its delivery schedule.
- 4.2. Delays in Delivery: Estimated delivery dates may be extended in the following situations:
  - a) *Amendments to Customer Contract.* If, following the issuance of an Order Confirmation, amendments to the Customer Contract are agreed in writing, in the absence of any agreement to the contrary, any estimated delivery dates contained on the Order Confirmation shall be deemed to be automatically extended by a reasonable period of time.
  - b) *Events of Force Majeure.* Events of force majeure shall include, but not be limited to (i) acts of God or other forces of nature, such as earthquakes, lightning strike, frost, flood and windstorm; (ii) war, terrorism, travel warnings for the country of origin, China or the country of export, the entry into force of statutes or statutory amendments, intervention by public authorities for pandemic, epidemic or endemic, seizures, disruptions or destructions by means of transport (for which no liability is accepted as a matter of principle), prohibitions on export, import and transit, national and international foreign trade law provisions, embargos and other sanctions, international payment restrictions, breakdowns in the supply of raw materials and energy source, material shortages; and (iii) business disruptions, such as through explosion, fire, strikes, sabotage and all other events which could not have been

avoided or could only have been avoided at unreasonable cost or by means which are not commercially reasonable and therefore acceptable.

- i. In the event of an event of force majeure (as defined above), estimated delivery dates will be extended by a period equal to the length of the delay plus any consequences of the delay. Frauscher will notify the Customer within a reasonable time after becoming aware of any such delay.
  - ii. If the event of force majeure (as defined above) delays delivery for a period exceeding three (3) months, either Party shall have the right to terminate the Customer Contract.
- c) *Customer Breach.* In the event that the Customer breaches its duty of cooperation or commits any other breach of the Customer Contract, the estimated delivery dates may be extended for the duration of the breach, such that no default in delivery shall be deemed to have occurred. For the avoidance of doubt, a failure of the Customer to provide any requested specifications, drawings, or other documents required by Frauscher to process an order shall constitute a breach of the Customer's duty of cooperation. In the event the Customer's breach of this Customer Contract renders Frauscher's performance under this Customer Contract impossible, or causes unreasonable continued delays, Frauscher shall have the right to terminate the Customer Contract, provided the Customer has been afforded a reasonable period of time in which to cure the breach.
- 4.3. Subject to clause 4.2, Frauscher may exceed any estimated or confirmed delivery dates by up to fourteen (14) business days by furnishing written notice to the Customer, without the Customer being entitled to derive any consequences of default. In the event of any failure to meet any estimated or confirmed delivery date beyond the foregoing period, the Customer's only remedy for default shall be entitled to rescind the order with respect to the quantity affected by the default, provided:
  - a) the Customer provides Frauscher with written notice of its intent to rescind the order (the "Notice");

- b) The Notice provides Frauscher with thirty (30) days from receipt of the Notice to effect delivery; and
- c) Frauscher does not effect the delivery by the end of the thirty (30) day notice period.

Except as set forth in this clause 4.3, any delays in effecting delivery shall not entitle the Customer to assert any claims, irrespective of the legal basis thereof, against Frauscher.

## 5. TRANSPORTATION AND STORAGE

- 5.1. In the event the Customer chooses to use its own carrier, Frauscher will notify the Customer when the products are ready for shipment. Within ten (10) days of such notification, the Customer must schedule the collection of the products. The Customer must notify Frauscher of its freight carrier or other person accepting custody of the products.
- 5.2. If collection is not scheduled in accordance with clause 5.1, Frauscher shall be entitled to store the products at a storage location selected by Frauscher, at the Customer's sole cost and risk. Furthermore, Frauscher shall be entitled to immediately invoice the Customer for the uncollected products.
- 5.3. If the products are placed in storage, delivery occurs and risk of loss transfers to the Customer when the products are placed in the storage location.
- 5.4. The Customer shall pay all storage expenses, including but not limited to demurrage charges, preparation for and placement into storage, handling, freight, storage, inspection, preservation, maintenance, taxes and insurance, upon receipt of an invoice(s) from Frauscher. When conditions permit, and upon payment to Frauscher of all amounts due, the Customer must arrange, at its expense, to remove the products from storage. The Customer bears the risk of loss, damage or destruction to the products in storage.
- 5.5. In addition to the storage expenses set forth in clause 5.4, if the products remain in storage for more than two (2) weeks, the Customer shall compensate Frauscher for the financial, administrative and inventory handling charges incurred by Frauscher for storing the products. The compensation shall be calculated as one percent (1%) of the net order value per week of delay and will not affect Frauscher's right to assert a claim for actual damages exceeding the contractual value of the Customer Contract.

## 6. PRICES

- 6.1. The price for the products shall be the price set out in the Order Confirmation and, unless otherwise agreed in writing, shall be in Chinese Renminbi (RMB).
- 6.2. Where the price for products is agreed in a currency other than RMB, Frauscher reserves the right to adjust the price to take account of currency fluctuations relative to the RMB occurring on or before the date of delivery or, in the event of a default of payment by the Customer, on or before the date of payment.
- 6.3. Frauscher shall invoice the Customer for the product price valid on the date the Order Confirmation is issued and VAT at the applicable statutory rate. The price for the products shall be exclusive of any charges for freight, unloading, storage, insurance, taxes, excises, fees, duties or other government charges related to the products, all of which will be invoiced to, and payable by, the Customer. The Customer shall likewise bear the cost of any public charges, taxes or other levies charged in connection with the delivery of the products and the cost of any packaging exceeding standard packaging.
- 6.4. Frauscher shall be entitled to invoice the Customer for any delay for which Frauscher bears no fault, in particular for delays attributable to resolving issues of the technical or legal prerequisites to delivery, warehousing costs due to a breach of the Customer's duty of acceptance, supplemental costs incurred by Frauscher as a result of change orders issued by the Customer, or costs incurred by Frauscher due to overtime, night or weekend work requested by the Customer.
- 6.5. Any discounts and/or rebates granted to the Customer shall be calculated based on Frauscher's sales prices (net of VAT).

## 7. PAYMENT

- 7.1. Unless otherwise agreed in writing, all payments are due net thirty (30) days from the invoice date. The Customer is responsible for any banking charges incurred by it.
- 7.2. Frauscher reserves the right to require advance payment for delivery of all products and services. Frauscher does not accept payments by bill of exchange, and the same shall not be deemed to satisfy the Customer's payment obligations.
- 7.3. The Customer shall only be entitled to set off any claims it may have against Frauscher against Frauscher's claim payment if and to the extent the Customer's counterclaim is undisputed or has been determined by res judicata court judgement. The

Customer shall only have a right of reservation based on claims arising out of the same contractual relationship.

- 7.4. Failure to timely submit payment in accordance with clause 7.1 shall be a material breach of the Customer Contract. In the event of such a breach, or where insolvency proceedings are initiated against the Customer or its assets, Frauscher shall be entitled to:
- immediately accelerate the due date of all outstanding invoices and other amounts due; and/or
  - suspend performance of its obligations under this Customer Contract until such time as all defaults are cured and/or any insolvency proceedings are dismissed; and or
  - rescind the Customer Contract and repossess the products delivered to the Customer, in which case the Customer shall be liable for the costs associated with repossession as well as reasonable compensation for the diminution in the value of the products.
- 7.5. Any rebates, bonus or cash discounts to which the Customer is entitled shall be contingent on the Customer's complete and timely payment in accordance with clause 7.1.
- 7.6. Frauscher may recover default interest from the Customer on any overdue sum at a rate of 1% per day measured from the due date to the date on which Frauscher receives full payment.

## 8. BUYERS REQUIREMENTS

- 8.1. Frauscher's performance is contingent upon the Customer timely fulfilling all of its obligations under the Customer Contract. These obligations include the Customer supplying all documents and approvals need for Frauscher to perform, including but not limited to technical information and data, drawing and document approvals, manuscripts, drafts, sketches, samples, models, films and any other required documentation (the "Customer Documentation"). Frauscher will have no liability for any loss or damage to such Customer Documentation provided by the Customer.

## 9. RESERVATION OF TITLE

- 9.1. Frauscher shall retain ownership of any and all products or services delivered to the Customer until the Customer pays in full the entire amount of the invoice, including ancillary charges such as interest

and costs, for the subject products or services (the "Reserved Goods").

- 9.2. The Customer shall arrange for separate safekeeping and proper storage of the Reserved Goods and to ensure that such Reserved Goods retain their value until such time as payment is made in full.
- 9.3. The Customer is not authorised to treat or otherwise process the Reserved Goods. The Customer may pledge or transfer ownership of the Reserved Goods by way of security with Frauscher's prior written consent.
- 9.4. The Customer shall be entitled to resell the Reserved Goods, or to use the Reserved Goods for manufacturing purposes, subject to the Reservation of Title set forth in clause 9.1 and provided that this is in the ordinary course of business, and that Customer is not in default with its payment obligations to Frauscher. If Frauscher has granted a term for payment, the Customer may resell the Reserved Goods only with retention of title. The Customer hereby assigns to Frauscher any and all receivables (including all claims for the balances from current accounts and claims for the return of the products) arising from the sale of the Reserved Goods. The Customer shall record any such assignment in its business records. Frauscher is authorised to disclose such assignment to respective third-party debtors at any time. Until revocation by Frauscher, the Customer shall be deemed authorised to collect receivables assigned to Frauscher in its own name, but for Frauscher's account, without this being deemed to modify in any way Frauscher's exclusive entitlement to the receivable. The Customer is not entitled to assign receivables arising out of its re-sale of the Reserved Goods to third parties.
- 9.5. The Customer shall notify Frauscher without delay of any charges or other interventions by third parties related to the Reserved Goods and of any damage or loss with respect to the same. The Customer shall bear and/or reimburse Frauscher for all costs arising in connection with the enforcement of Frauscher's property rights. The Customer shall be liable to Frauscher for all losses arising out of its failure to give notice or for any late notice.
- 9.6. If any Reserved Good(s) should be combined, melded or otherwise manufactured with other property, Frauscher shall acquire title to the new product in

proportion with the value of Reserved Good(s), as compared to the value of the new product. Any such combination with the Reserved Good(s) shall be deemed made by the Customer on behalf of Frauscher. The Customer shall store such new products for Frauscher. The provisions of this Clause 9 shall apply accordingly for Frauscher's title in such products.

- 9.7. Frauscher's assertion of its reservation of title shall not require the rescission of the Customer Contract and shall not relieve the Customer of its obligations under the Customer Contract. In such event, the Customer shall only have a claim to a credit of the proceeds of sale (by sale on the open market) of the Reserved Goods. The Customer shall be liable for any costs incurred by Frauscher in the repossession of the Reserved Goods.

## 10. PRODUCT LIMITED WARRANTY

- 10.1. Frauscher warrants that the products shall be free from defects in material and workmanship for a period of twelve (12) months from the date delivery occurs (the "Warranty Period").
- 10.2. During the Warranty Period, and subject to the provisions of this clause 10, Frauscher shall remediate and rectify all defects that impair the functionality of the product, which were present at the time of delivery and were due to a defect in manufacturing or design.
- 10.3. The warranty is not transferable. Frauscher will not accept warranty claims and/or return merchandise authorization requests from any entity other than the Customer.
- 10.4. Conditions to the Warranty
- a) The Customer's warranty claim shall only arise where the Customer has given written notice to Frauscher in accordance with the conditions set out in this clause 10.4. Specifically:
    - i. Within seven (7) days of delivery, the Customer shall inspect the products and notify Frauscher of any defects identified during inspection. If the Customer fails to give Frauscher written notice of any identified defects within seven (7) days of delivery of the products, indicating the precise defect, the Customer shall be deemed to have accepted the products.

- ii. Where a defect that could not reasonably have been discovered within the 7-day period described above, the Customer shall be deemed to have accepted such defect if the Customer fails to give Frauscher written notice of any such defect within seven (7) days of such discovery.

If the Customer fails to provide notice in accordance with this clause 10.4, the Customer's right to revoke acceptance, assert any claims for compensatory damages and to challenge the transaction for mistake based on defects shall be deemed forfeited.

- b) The warranty is conditioned on: (i) no repairs, modifications or alterations being made to the products other than by Frauscher or its authorized representative; (ii) the product being properly and correctly installed, configured, interfaced, maintained, stored, handled and operated in accordance with Frauscher's applicable operator's manuals and specifications; and (iii) the product not having been subjected to modification or misuse.

### 10.5. Warranty Exclusions.

This limited product warranty shall not apply to, and Frauscher shall not be responsible for defects or performance problems resulting from: (i) the operation of the product under any specification other than, or in addition to, Frauscher's standard specification for its product; (ii) the unauthorized or negligent installation, modification, repair or use of the product; (iii) the over-stress of the products; (iv) actions by third parties, (v) the effects of chemical, electrical or mechanical sources that are outside the product specification provided by Frauscher and/or (vi) normal wear and tear on products which are subject to natural wear and tear.

### 10.6. Warranty Procedure.

- a) The warranty provided by Frauscher is for the benefit of the Customer. Warranty claims must be processed by the Customer through Frauscher. The return of the product can be from the Customer or their downstream customer. The Customer is responsible for the shipping returned products to Frauscher.
- b) If the product fails during the Warranty Period for the reasons covered by this limited product warranty, and the Customer notifies Frauscher



of such failure within the Warranty Period, and in accordance with clause 10.4 above, Frauscher will, at its option, repair or replace the nonconforming product at its cost and expense.

- c) Repair or replacement shall, as a general rule, be rendered at the place of performance as defined in clause 23.1. In the case of a timely claim under clause 10.1, the Customer shall consult with Frauscher and return the products to Frauscher for its inspection of the asserted defects. If it is possible, where the products or services have been relocated to another location then, at Frauscher's option, supplemental performance repair or replacement may also be rendered at such other location.
  - d) If, on inspection of the returned products, Frauscher finds that the products are not under warranty and/or are found not to be faulty, the Customer shall pay for all shipping and other charges incurred that relate to such claim.
  - e) Any repaired or replaced product will be warranted for a period of thirty (30) days or the remainder of the original warranty period, whichever is longer.
- 10.7. Where Frauscher rectifies defects not subject to warranty or performs other services or customer service work, such work shall be charged to the Customer in accordance with Frauscher's valid price schedule or on the basis of time and expense incurred.
- 10.8. Assertion of a defect shall not (i) relieve the Customer of its duty to make payment, (ii) entitle the Customer to cancel or terminate any Customer Contract, or (iii) entitle the Customer to reject further deliveries under this Customer Contract or any other contract with Frauscher.

## **11. LIMITATION OF LIABILITY**

- 11.1. Notwithstanding anything in these GTC to the contrary, neither party shall be liable, whether based in contract, warranty, tort (including negligence) strict liability, indemnity or any other legal or equitable theory, for any interruption of business or any indirect, special, incidental or consequential damages of any kind (including lost profits).
- 11.2. Frauscher's maximum liability to the Customer under this Customer Contract is the actual purchase price received by Frauscher for the product that gave rise to the claim, regardless of whether or not the Customer

(or its customer) incorporates Frauscher's products into other products or assemblies.

- 11.3. The limitation of liability set forth in clause 11.2 shall be limited to direct and proven damages where such losses were foreseen, or reasonably foreseeable, by Frauscher.
- 11.4. Notwithstanding clauses 11.2 and 11.3, nothing in the Customer Contract shall be deemed to exclude or limit Frauscher's liability for death or personal injury resulting from the defective design and/or manufacture of the product.

## **12. INDEMNITY**

- 12.1. The Customer agrees to indemnify and hold harmless Frauscher, its employees, shareholders, officers, directors, agents, parents, subsidiaries, affiliates and principals:
  - a) for all liabilities from third parties resulting from the Customer's, its affiliates' and/or its representatives' wrongful integration, wrongful installation, negligence, and use of the products not in accordance with the manufacturer specifications included in Frauscher's system documentation and user manuals, and
  - b) from any claims or liabilities for alleged patent or trademark infringement that arise solely and directly as a result of the Customer, its affiliates and/or its representatives causing the same by (i) a violation of a third party's rights, (ii) misuse of the products or (iii) incorporation of the products into additional systems or assemblies.
- 12.2. Frauscher and the Customer (each as an "Indemnitor") shall indemnify the other ("Indemnitee") from and against all third-party claims alleging bodily injury, death or damage to a third party's tangible property, but only to the extent caused by the Indemnitor's negligent acts or omissions. If the injury or damage is caused by the parties' joint or contributory negligence, the loss and/or expenses shall be borne by each party in proportion to its degree of fault. No part of the products or the Customer's site is considered third party property.

## **13. PRODUCT LIABILITY**

- 13.1. The Customer may exercise its statutory rights as stipulated in the Products Quality Law of China and other mandatory provisions of Chinese laws and regulations and shall also duly undertake its obligations, duties and liabilities thereunder to its end customers or any other subsequent customers,

especially if the Customer or a downstream purchaser of Frauscher's products uses the products to produce other products and places such other products on the market. Unless otherwise granted by applicable mandatory provisions, the Customer waives any claims based on express and/or implied warranties from Frauscher.

- 13.2. Frauscher is not responsible for liabilities resulting from the misuse of the products it supplies, or for the defective design of the system into which the products will be installed, except to the extent that the design is consistent with Frauscher's products specification.
- 13.3. Frauscher shall bear no liability if the products supplied by it to the Customer are deemed defective solely due to the defective process of production of additional products, systems or assemblies manufactured by the Customer (or its customer).
- 13.4. When using or reselling the product, the Customer is obliged to comply (and to cause its customers to comply) with Frauscher's user instructions, proposed specifications, operator's manual, technical customer documentation (including safety-related terms of use), warnings and other product advice, and to refrain from any and all improper manipulation of the products (e.g. disassembly, modification, heating, improper storage or shipping or any other negative impairment to product safety). Frauscher shall not be expected to anticipate any such improper manipulation or unintended use of Frauscher's products by the Customer (or its customer).

#### **14. TECHNICAL ADVICE**

- 14.1. Frauscher products may only be used in accordance with the applicable Frauscher product documentation. Any use other than expressly authorised is prohibited and may result in unforeseen hazards and risks. The product documentation will be provided upon request.
- 14.2. Any and all technical advice provided by Frauscher, either in writing or verbally, shall not be deemed binding on Frauscher, and shall not relieve the customer of its own duty to inspect any delivery of products for fitness for their intended use.
- 14.3. Frauscher accepts no liability for the consequences of any actions taken on the basis of technical advice provided to the Customer. In particular, Frauscher accepts no liability for any statement related to the technical suitability of the products or the technical feasibility of the Customer's project. The Customer is responsible for conducting a complete technical feasibility analysis and validation in accordance with

Frauscher's product documentation. Any technical support service provided by Frauscher does not, and is not intended to, replace the technical analysis and validation by the Customer.

- 14.4. Frauscher is not liable or responsible to the Customer for any action taken or not taken by it in connection with any technical advice, unless directly caused by Frauscher's gross negligence or wilful misconduct.
- 14.5. Without limiting clauses 11 and 14.4 above, and without prejudice to any other provision of these GTC, Frauscher will not be liable for any indirect, incidental or consequential damages arising out of or in relation to technical advice provided.

#### **15. CANCELLATION/TERMINATION**

- 15.1. The right of either party to terminate the Customer Contract are solely as stated in clauses 4.2, 4.3 and 7.4.
- 15.2. *Effect of Termination.* The following clauses shall survive the termination, expiration or cancellation of this Customer Contract: "Delivery; Risk of Loss", "Delivery Dates; Delays", "Payment", "Product Limited Warranty", "Limitation of Liability", "Indemnity", "Product Liability", "Intellectual Property", "Recalls", and "Confidentiality; Data Protection".
- 15.3. In the event of a termination of the Customer Contract, the Customer shall be liable for payment to Frauscher for such goods or services rendered prior to such termination, as well as for any preparatory work Frauscher has undertaken with respect to the Customer Contract.
- 15.4. The Customer shall have no right to assert any claims for laesio enormis, mistake or for the cessation or change of the basis of its business.

#### **16. INTELLECTUAL PROPERTY**

- 16.1. Frauscher, or its respective licensors, shall retain ownership of any and all intellectual property (including patent rights, know-how, trademarks, service marks and other trademark-related rights, industrial design and utility model rights, copyrights and other intellectual property rights) for the products and related documentation covered by the Customer Contract as well as to improvements and developments thereto. Frauscher shall retain these rights regardless of whether or not such rights have been registered.
- 16.2. The Customer is prohibited from copying, or having a third-party copy, Frauscher products or to undertake reverse engineering of the products or services delivered by Frauscher, regardless of whether such

products or services are subject to intellectual property rights or whether such intellectual property rights do not exist or no longer exist.

- 16.3. The Customer shall notify Frauscher of all actual or alleged infringements of Frauscher's intellectual property which have come to its knowledge without delay and provide Frauscher with all relevant information and documentation.
- 16.4. Frauscher shall, at its option and expense, promptly defend or settle any claim or proceeding brought against the Customer based on an allegation that any Frauscher product or use thereof for its intended purpose constitutes the infringement or misappropriation of any third-party patent, copyright, trademark or other intellectual property right. The Customer will promptly provide Frauscher with written notice of the suit or proceeding and the authority, information and assistance needed to defend the claim(s). Frauscher shall have the full and exclusive authority to defend and settle such claim(s) and will pay damages and costs awarded in any suit or proceeding so defended. The Customer will not make any admission(s) which might be prejudicial to Frauscher and shall not enter into a settlement without Frauscher's consent. Frauscher is not responsible for any settlement made without its prior written consent. If the Frauscher product, or any part thereof, as a result of any suit or proceeding so defended is held to constitute infringement or its use by the Customer is enjoined, Frauscher will, at its option and expense, either: (i) procure for the Customer the right to continue using said product; (ii) replace it with a substantially equivalent non-infringing product; or (iii) modify the product so it is non-infringing.

## 17. ASSIGNMENT

Neither party may assign, transfer or subcontract this Customer Contract, or any part of this Customer Contract, without the written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding, either party may assign its rights and obligations, without recourse or consent, to any parent, wholly owned subsidiary, or affiliate or affiliate's successor organization (whether as a result of reorganization, restructuring or sale of substantially all of a party's assets). Any assignee expressly assumes the performance of any obligation assigned.

## 18. RECALLS

- 18.1. In the event that the Customer conducts, or becomes aware of any circumstances which may require the Customer to conduct, a recall campaign of products within which Frauscher's products have been integrated, the Customer shall, and shall ensure that any downstream purchaser(s) shall:
- a) without delay, notify Frauscher of such recall campaign; and
  - b) provide Frauscher with all necessary information and documentation; and
  - c) keep Frauscher at all times informed with respect to any related safety risks.
- 18.2. The Customer agrees to carry out any recall campaigns which become necessary.
- 18.3. In the event that Frauscher conducts a recall campaign, the Customer shall indemnify and hold Frauscher harmless with respect to all expenses arising out of or in connection with a recall of products within which Frauscher's products have been integrated. To the extent the Customer conducts a recall campaign, the Customer shall, in any event, indemnify and hold Frauscher harmless.

## 19. CONFIDENTIALITY; DATA PROTECTION

- 19.1. Both during and after the term of this Customer Contract, the parties will treat as confidential all information obtained from the disclosing party and all information compiled or generated by the disclosing party under this Customer Contract from the receiving party, including but not limited to business information, manufacturing information, technical data, drawings, flow charts, program listings, and information related to intellectual property, know-how, business operations, finance, pricing, forecasts, analyses, systems, user identification numbers or passwords, and/or commercial, marketing research and development (the "Confidential Information").
- 19.2. Neither party may disclose or refer to the work to be performed under this Customer Contract in any manner that identifies the other party without advance written permission, save that the parties may share the Confidential Information with its affiliates, representatives and customers in connection with transactions involving or related to the products and/or services provided for hereunder, provided those recipients are subject to the same confidentiality obligations as set forth in this clause 19.
- 19.3. This duty of confidentiality shall apply with respect to personal data, information under relevant data protection laws and regulations of China and the like



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pertaining to Frauscher and/or third parties, which comes to the Customer's knowledge in connection with the Customer Contract. The Customer shall protect all such information and the work product arising therefrom, in particular against access by third parties, and shall comply with data secrecy under applicable Chinese laws and regulations and shall likewise impose an obligation on its staff engaged to deal with such matters to observe a corresponding duty of confidentiality.

- 19.4. The Customer's data (commercial register data, address, telephone, and fax numbers as well as other information required for the purpose of addressing resulting from modern communication techniques, business sites, business contacts, goods ordered, quantities supplied) under the respective transactions shall in principle be processed solely by Frauscher for the purpose of processing the Customer Contract, in particular for Frauscher's administrative and accounting purposes. For technical reasons, it may prove necessary to store such data on the server of another Frauscher Company.
- 19.5. The customer hereby grants its express consent to Frauscher's disclosure for statistical purposes and purposes of risk management of the data stored pursuant to sec. 19.4 under the respective transaction to other Frauscher companies (the list of such companies may be downloaded from [www.frauscher.cn](http://www.frauscher.cn) and may also be furnished in person upon request) for information and marketing purposes (e.g. pooling of procurement, customer relationship management, ERP system, newsletter) and in connection with Frauscher group company reporting obligations, and the customer further consents to these companies and Frauscher forwarding information to the customer regarding goods and services in writing or by e-mail or contacting it by another means (e.g. by telephone). This declaration of consent may be revoked by the customer at any time in writing or by e-mail, without any need to indicate the grounds thereof, and such revocation shall be directed to the following address:

Frauscher Sensor Technology (Beijing) Co. Ltd.  
A3-1 Building, Jingying Menggu - Changying  
No.27 Chaoyang North Road  
Chaoyang District  
Beijing 100024  
China

- 19.6. Where the Customer is determined as Critical Information Infrastructure Operator ("CIIO") in China, it shall notify Frauscher before any order confirmed by Frauscher or, in the case that the CIIO identification is determined during the performance of the Customer Contract, notify Frauscher immediately. Both parties shall negotiate appropriate provisions on data protection.
- 19.7. Frauscher processes personal data in accordance with its Privacy Policy which can be accessed on its website at: <https://www.frauscher.com/en/privacy-policy>.

## 20. NOTICES

Any notice given under this Customer Contract shall only be valid if sent in writing or electronic form to the address most recently stated to the other party in English or German.

## 21. COMPLIANCE

- 21.1. Frauscher expects all contractual parties to conduct their business in accordance with generally accepted principles of ethical behaviour, including integrity, fairness, compliance with applicable laws and respect for human rights.
- 21.2. The Customer shall observe the rules of fair competition and act towards Frauscher in good faith.
- 21.3. The Customer undertakes not to directly or indirectly, offer, promise, grant or solicit any undue payments or other advantage in the course of fulfilling its obligations and/or providing services under this Customer Contract. The Customer shall ensure that all employees, officials and employees of their private partners shall comply with these provisions.
- 21.4. In the event of the use and/or resale of the products, the Customer shall bear the responsibility for compliance with all relevant statutory and regulatory requirements.
- 21.5. The Customer shall indemnify, protect and hold Frauscher, its agents, customers and other suppliers, harmless against any claims, losses, profits, royalties, damages and expenses, including actual attorney fees, which may arise out of any claim of infringement of any nature or unfair competition or otherwise based on any of the above, including any settlement thereof. Frauscher may be represented and actively participate in any suit or proceeding arising out of any such claim and the Customer shall pay all costs of such representation.

**22. SEVERABILITY**

If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not in any way be affected or impaired. In such cases, the parties shall be deemed to have agreed to replace the invalid, unenforceable or illegal term(s) by such valid, enforceable and legal terms as come as close as possible to the commercial objectives envisaged by the invalid, unenforceable or illegal term(s).

**23. PLACE OF PERFORMANCE; LANGUAGE; APPLICABLE LAW; JURISDICTION**

- 23.1. The place of performance for all liabilities under this business relationship shall be the registered address of Frauscher in China.
- 23.2. These GTC are written in English only.
- 23.3. The Customer Contract is governed by Chinese law, without regard to its conflict of law principles.
- 23.4. Any and all disputes between Frauscher and the Customer arising from these GTC, any disputes regarding the formation of a Customer Contract and/or any disputes as to the validity of these GTC, shall be finally submitted for arbitration to the China International Economic and Trade Arbitration Commission (the "Commission") and the prevailing rules of the Commission shall be applied. Unless Frauscher and the Customer agree that the matter shall be settled by one arbitrator, the number of arbitrators shall be three. The language of the arbitration shall be English. The arbitrator(s) shall be fluent in written and spoken English. The place of arbitration shall be Beijing. The resulting arbitration award shall be final and binding on Frauscher and the Customer.