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General Terms and Conditions of Sale
of
GPS (Shanghai) Equipment Manufacturing Co. Ltd.
吉比斯（上海）设备制造有限公司
(hereinafter referred to as “SCHNEIDER”)



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1. General – Scope of Application

These general terms and conditions of sale of SCHNEIDER shall apply to all current and future orders placed by Chinese customers (each, a “**CUSTOMER**,” and, collectively referred to “**CUSTOMERS**”) with SCHNEIDER,

These general terms and conditions shall apply unless Schneider expressly and in writing agrees to alternate terms. Any additional terms or subsequent changes shall not be binding on SCHNEIDER unless acknowledged by SCHNEIDER in writing. Written acknowledgment by SCHNEIDER is also required for any elimination of the written form requirement. Customer’s acceptance of deliveries and services shall constitute acceptance of these general terms and conditions of sale. CUSTOMER shall confirm by signature of its legal representative and the company chop to have read, agreed and confirmed the application of these general terms and conditions.

2. Quotations – Quotation Documents

- 2.1 Unless otherwise set forth in SCHNEIDER’s quotation, SCHNEIDER’s quotation shall be open for a period of six weeks.
- 2.2 SCHNEIDER shall be entitled to accept orders from CUSTOMER within a period of 30 days, starting from the day the order was received. CUSTOMER’s order shall be open for said period.
- 2.3 Occasionally, SCHNEIDER shall be entitled to clarify the basic conditions of an order thereby extending the above-mentioned time period, provided that CUSTOMER has previously been notified in writing about such extension. Any order clarification shall not take longer than three months.
- 2.4 All intellectual property rights (including, without limitations, copyrights) with respect to images, drawings, calculations and other documents shall remain the sole property of SCHNEIDER. This shall also apply to all and any written and electronic documents which are marked “confidential”. CUSTOMER may not disclose said documents to any third parties without SCHNEIDER’s express prior written consent. At SCHNEIDER’s request, CUSTOMER shall return those documents to SCHNEIDER at the expense of COSTUMER with 3 working days upon request.
- 2.5 Unless otherwise expressly agreed, the specifications of the Goods, including, without limitation any equipment, accessories and attachments (including replacements thereof or spare or replacement parts thereof), any installation, repair, maintenance and in-



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structional services, and any processes or know-how (whether patentable or otherwise) and software (hereinafter referred to as “**GOODS**”), delivered by SCHNEIDER and their potential use is exclusively identified in the text or images (e.g., descriptions, images or drawings) of the catalogues, brochures and other publications issued by SCHNEIDER. The descriptions provided in this respect contain approximate values in line with industry standards, unless the order confirmation expressly states that the described values are binding. Information from other manufacturers shall not be binding. Documents containing final details will be provided as appropriate once the contract is signed if the parties’ business relationship so requires. SCHNEIDER reserves the right to change the technical concept on which the quotation is based, provided that the performance and quality of the GOODS offered will not be impaired by such change.

3. Scope of Performance

- 3.1 The delivery commitment includes the items of delivery, such as the materials, GOODS and/or products and performance when confirmed by SCHNEIDER in writing. If the GOODS are to serve special CUSTOMER purposes, such special purposes, as well as the requirements that the GOODS have to meet, must be expressly and thoroughly specified in CUSTOMER’s order and confirmed in writing by SCHNEIDER.
- 3.2 In the event of CIF (Cost Insurance and Freight according to Incoterms 2010) deliveries, charges levied in the port of destination for unloading, lighterage and landing, as well as port and quay dues, are not included in the price, and have to be borne by the CUSTOMER.
- 3.3 Any taxes, such as sales, value added, turnover, use or similar taxes, export or custom charges, tariffs, fees or other levies, taxes, duties, governmental charges or surcharges now or hereafter imposed under any present or future law in connection with the production, sale, delivery, use or proceeds of the GOODS, shall be payable by CUSTOMER, and if such taxes or fees are paid or are required to be paid by SCHNEIDER, the amount thereof shall be added to and become part of the price payable by CUSTOMER hereunder. If the parties agree that delivery shall include customs or other duties, the price given is based on the rates effective at the time of the offer. In accordance with the Incoterms rules the costs charged shall be either those offered or the actual costs, whichever is higher. Any applicable turn over, value added or sales tax shall be charged additionally.
- 3.4 SCHNEIDER shall only be obliged to comply with mandatory packaging and weighing instructions and customs regulations imposed by any applicable laws and regulations of the People’s Republic of China (excluding, only for the purpose of these Articles, Hong



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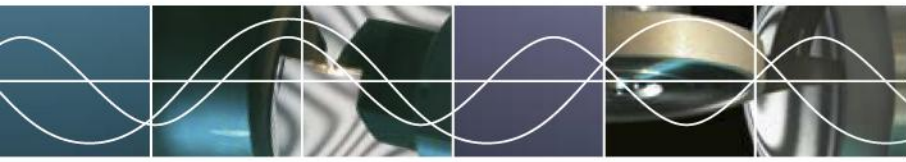
Kong and Macau Special Administrative Regions and Taiwan), hereinafter “Chinese laws”, if CUSTOMER provides SCHNEIDER timely with proper instructions. Any additional costs incurred in connection with the foregoing shall be borne by CUSTOMER.

4. Prices

- 4.1 Unless otherwise expressly specified, all prices are net prices and do not include value added tax, sales tax or turnover tax. Value added tax, sales tax or turnover tax, if applicable, shall be borne and paid by CUSTOMER at the applicable statutory rate. All prices are Ex Works (Incoterms 2010) respective SCHNEIDER manufacturing plant and include loading at the manufacturing plant but exclude packaging, transport and unloading. Unless otherwise specified, all prices are in Renmimbi (RMB).
- 4.2 SCHNEIDER reserves the right to adjust the prices if the basis for the price calculation changes.
- 4.3 Agreements regarding price discounts have to be made in writing. Any discounts granted to CUSTOMER shall be cancelled in the event that (i) CUSTOMER defaults on any payments owed to SCHNEIDER, (ii) bankruptcy proceedings against the assets of CUSTOMER are initiated, or (iii) the opening of bankruptcy proceedings is rejected due to lack of sufficient assets.

5. Terms of Payment

- 5.1 Payments have to be made in the currency stated in the invoice with postage and charges paid. Payment may only be made to SCHNEIDER. Bills of exchange and checks will not be considered payment until they have been honored and credited to SCHNEIDER's bank account, and will be accepted without any obligation for timely presentation and timely protest and if the underlying amount is finally and irrevocably credited to an account of SCHNEIDER.
- 5.2 Unless otherwise expressly agreed, payments shall be made in full within 14 days from the date invoice received. If CUSTOMER exceeds the foregoing time limit, SCHNEIDER shall be entitled to demand default interest of 10% per month of the entire outstanding sum.
- 5.3 CUSTOMER may only offset against counterclaims if the counterclaims are uncontested or have become legally binding and non-appealable.
- 5.4 The maximum amount CUSTOMER may retain from payment as a result of defective



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GOODS shall maximum be the Invoice amount of the GOODS or SERVICE. If CUSTOMER exercises its right to withhold payment, CUSTOMER shall be obligated to provide security in the amount of the unpaid portion of the purchase price either, at SCHNEIDER's discretion, by bank guarantee or by depositing such amount with a notary or a law firm of its choice.

5.5 In the event of a default in payment, SCHNEIDER shall be entitled to:

5.5.1 Request immediate payment of all claims arising from this or any other transaction, even those which have not yet become due; Any discount given by SCHNEIDER shall forfeit completely.

5.5.2 Delay deliveries or other performances under this or any other order until all of SCHNEIDER's outstanding claims arising from this or any other orders have been satisfied in full by CUSTOMER;

5.5.3 Demand appropriate security;

5.5.4 Reclaim the GOODS subject to retention of title or claim any other security interest granted by CUSTOMER. If the GOODS, due to lapse of time, are no longer usable or fully usable, SCHNEIDER shall have the right to be compensated for the loss in value.

5.6 If, subsequent to the signing of the contract, SCHNEIDER becomes aware of facts evidencing a material deterioration of CUSTOMER's financial condition (including, but not limited to, a petition in bankruptcy), SCHNEIDER shall up to the time of its performance be entitled to (i) demand sufficient security within a reasonable time period or (ii) condition delivery upon concurrent payment of the consideration. If CUSTOMER does not timely comply with such request, SCHNEIDER may rescind the contract or claim damages. In this situation, SCHNEIDER shall be entitled to render all amounts - including deferred payments - immediately due for payment.

6. Delivery Times, Delay, Force Majeure

6.1 Delivery dates shall only be binding if confirmed by SCHNEIDER in writing.

6.2 Compliance with delivery dates shall be subject to a complete clarification of the order and of all technical and commercial issues, grant of all permits and timely receipt by SCHNEIDER of all documents, payments and securities to be provided by Customer. The foregoing shall not apply if SCHNEIDER is fully responsible for the delay. Delivery



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periods shall be reasonably extended if the above mentioned CUSTOMER obligations have not been timely fulfilled. The delivery dates shall be deemed complied with if, on the last day of the delivery period, the GOODS have left SCHNEIDER's plant or warehouse or CUSTOMER has been notified that the GOODS are ready for dispatch, or if without SCHNEIDER's fault the GOODS cannot be shipped on time.

- 6.3 Unforeseeable, exceptional events for which SCHNEIDER cannot be held responsible (e.g., labor disputes, interruptions of operations, governmental actions, transportation issues or other events of force majeure) regardless of whether these events occur at SCHNEIDER or at one of its suppliers, shall release SCHNEIDER from its obligations under the respective contract; if these obstacles are of a temporary nature, SCHNEIDER shall be released for the duration of the hindrance plus a reasonable start-up period. SCHNEIDER will notify CUSTOMER as early as possible of the commencement and termination of such events. If, as a result of such events, delivery subsequently becomes impossible or unreasonable for one of the parties, both parties shall be entitled to rescind the contract.
- 6.4 CUSTOMER shall not be entitled to demand liquidated damages unless the parties have agreed to such liquidated damages in a separate agreement in writing. SCHNEIDER shall not be liable for damages caused by delays resulting from a negligent breach of duty unless such breach of duty results in injury to life, body or health.
- 6.5 CUSTOMER shall bear any additional costs resulting from an interruption of, or a delay in, SCHNEIDER's performance which is caused by CUSTOMER. The same shall apply in the event that CUSTOMER is in default of acceptance.
- 6.6 If shipment is delayed due to reasons for which SCHNEIDER cannot be held responsible, SCHNEIDER may store the GOODS at CUSTOMER's risk and expense. In addition, SCHNEIDER shall be entitled to purchase insurance against storage risks at CUSTOMER's expense.
- 6.7 If CUSTOMER is responsible for providing the means of transportation for delivery but fails to do so at the scheduled time, SCHNEIDER shall be released from its delivery obligations by storing and insuring the GOODS at CUSTOMER's expense and risk.

7. Passing of Risk, Insurance

- 7.1 Unless otherwise specified in the order confirmation, the parties agree to delivery "Ex Works" (Incoterms 2010). In case delivery occurs due to warranty claims of the CUSTOMER according to the General Terms and conditions of sale of SCHNEIDER the Parties agree to delivery "Delivered At Terminal, **DAT**" (Incoterms 2010), in case



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delivery occurs because SCHNEIDER is unable to provide commissioning as agreed in and according to the order confirmation the Parties agree that any delivery of any substitute hereto occurs "Delivered Duty Paid" (Incoterms 2010). In any case the risk of accidental damages or loss shall pass to CUSTOMER once the GOODS are ready for dispatch.

- 7.2 At CUSTOMER's request and expense, SCHNEIDER will purchase cargo insurance to cover transportation risks.

8. Liability for Defects

- 8.1 SCHNEIDER warrants that at the time when the risk passes to CUSTOMER, the GOODS will conform to the agreed specifications. However, SCHNEIDER's liability for defects is subject to compliance with the operational conditions and guarantee requirements specified by SCHNEIDER which require, among other things, the following: (i) compliance with the operation requirements of the GOODS which are set forth in SCHNEIDER's service manuals, operating instructions and product descriptions (hereinafter referred to as "**MANUALS**"); (ii) exclusive operation of the GOODS by trained operators and engineers; (iii) strict adherence to the machine specific environment conditions defined by SCHNEIDER and applicable to the GOODS; (iv) strict and regular maintenance of the GOODS by specifically trained personnel in accordance with the MANUALS; (v) immediate replacement of all worn and defective parts; and (vi) protection of the GOODS against viruses and unauthorized access by third parties. System failures and crashes are not covered by the warranty unless they are caused by the GOODS or their component parts. With respect to ophthalmic goods, SCHNEIDER shall only be liable for defects if CUSTOMER exclusively uses spare parts, tools, supplies and consumables provided or recommended by SCHNEIDER, if CUSTOMER provides correct specifications and data, in particular with respect to the casting of the glasses, the tongs, the tool dimensions and the process parameters and if a change of tools is made in accordance with SCHNEIDER's specifications. SCHNEIDER has the right to require CUSTOMER to prove the compliance with the above mentioned operational requirements.
- 8.2 As a precondition to any warranty claim, CUSTOMER has to, immediately upon reception of the GOODS, properly inspect the GOODS and give notice to SCHNEIDER of any defect in a short period as is practicable in the circumstances, without undue delay.
- 8.3 If a legitimate defect exists, CUSTOMER's only remedy at first shall be supplementary performance, which, at SCHNEIDER's discretion, can be met by delivering new GOODS (requiring the return of the rejected GOODS) or by repairing the defective



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GOODS. If supplementary performance fails, is unreasonable for SCHNEIDER or not required because

8.3.1 SCHNEIDER ultimately refuses subsequent performance,

8.3.2 SCHNEIDER fails to comply with its subsequent performance obligation within the time period set forth in the contract or otherwise agreed upon by the parties, and CUSTOMER contractually conditioned its interest in Schneider's GOODS on Schneider's timely performance, or

8.3.3 special circumstances exist which after weighing the interests of both parties justify an immediate rescission of the contract,

then CUSTOMER, at its discretion, shall immediately be entitled to reduce the purchase price or rescind the contract and demand damages instead of performance or reimbursement for futile expenses (expenses reasonably incurred in anticipation of the delivery of the GOODS) in accordance with this art. 8.

8.4 CUSTOMER must provide SCHNEIDER with (at CUSTOMER's reasonable discretion) sufficient time and opportunity to repair the defective GOODS. If CUSTOMER does not comply with the foregoing, SCHNEIDER shall be released from its duty to repair the defective GOODS.

9. Liability for Damages

SCHNEIDER shall only be liable for damages resulting from culpable injury to life, body or health.

9.1 Apart from that, SCHNEIDER's liability in contract, tort or otherwise shall be limited to cases of intentional misconduct and gross negligence. Schneider's vicarious liability for gross negligence of its employees, staff and agents is hereby excluded.

9.2 Liability shall be limited to damages that are typical for this type of contract and that were foreseeable for SCHNEIDER at the time the contract was concluded based on the circumstances then known to SCHNEIDER.

9.3 Any further liability shall be excluded. In particular, SCHNEIDER shall not be liable for lack of economic success, lost profits, indirect damages, consequential damages and damages resulting from third party claims.



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9.4 The above-mentioned liability limitations shall also apply to claims for reimbursement of futile expenses.

9.5 In all and any cases, the liability of SCHNEIDER is limited in all and each and every case to the amount of 1.5 times the order volume. However, in any case the maximum amount is 500,000 RMB. The actual final damages must be proven by the CUSTOMER and confirmed by the arbitration institution. Any other agreement is not valid and therefore void.

Where the amount of liquidated damages is below the loss resulting from the breach, SCHNEIDER may petition the arbitration institution to increase the amount; where the amount of liquidated damages prescribed exceeds the loss resulting from the breach, CUSTOMER may petition the arbitration institution to decrease the amount as appropriate.

9.6 SCHNEIDER shall not be liable or responsible for any damages or losses due to reasons attributable to CUSTOMER.

10. Limitation of Action

All of CUSTOMER's claims – regardless on which theory of law they are based – become time-barred after 12 months.

11. Inspection and Acceptance

11.1 Inspections in the presence of CUSTOMER or its representative and special inspections are subject to prior written (Email is sufficient) agreement between the parties; SCHNEIDER shall be entitled to charge CUSTOMER for the inspection costs.

11.2 If the GOODS are to undergo an acceptance test, such test, as a rule, shall be performed at SCHNEIDER's manufacturing premises. Subject to SCHNEIDER's written consent, acceptance may, in individual cases, take place at CUSTOMER's premises. CUSTOMER shall be deemed to have accepted the GOODS if CUSTOMER has not raised legitimate objections by the end of the acceptance test in writing.

11.3 The GOODS shall be deemed accepted if CUSTOMER waives an agreed acceptance test or if the test is completed in the absence of CUSTOMER even though CUSTOMER was duly notified.



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- 11.4 If the tests are delayed due to reasons for which SCHNEIDER cannot be held responsible, any additional costs incurred due to such delay shall be borne by CUSTOMER.

12. Retention of Title

- 12.1 All GOODS delivered shall remain the sole property of SCHNEIDER until the purchase price and all other ancillary claims have been fully paid (such GOODS will be hereinafter referred to as "**RETAINED GOODS**"). When bills of exchange and checks are accepted, they will not be considered payment until they have been honored. The ancillary claims include, in particular, costs for packaging, freight, insurance, bank charges, charges incurred when reminding CUSTOMER that payment is past due, attorneys' fees, court fees and other costs and expenses.
- 12.2 In case of a current account, the retention of title serves as security for any balance owed to SCHNEIDER. GOODS already paid for shall remain SCHNEIDER's property until all of SCHNEIDER's outstanding claims have been paid.
- 12.3 CUSTOMER shall store the RETAINED GOODS as customary in the industry for the benefit of SCHNEIDER. CUSTOMER must store the RETAINED GOODS separately and mark them as SCHNEIDER's property. SCHNEIDER shall be entitled to check whether the RETAINED GOODS are marked and stored separately after providing CUSTOMER with limited advance notice. If a petition in bankruptcy is filed against the assets of CUSTOMER, SCHNEIDER itself shall be entitled to immediately mark the RETAINED GOODS as SCHNEIDER's property and/or to repossess them. CUSTOMER shall be liable for any loss of SCHNEIDER's RETAINED GOODS. CUSTOMER shall be obliged to insure the RETAINED GOODS, at its expense and for the benefit of SCHNEIDER, against all risks, in particular against fire, water and theft. CUSTOMER hereby assigns all future insurance claims to SCHNEIDER. SCHNEIDER must be immediately notified of any incurred loss or damage. If CUSTOMER fails to provide proof of insurance, SCHNEIDER shall be entitled to insure the GOODS, at CUSTOMER's expense, against the above-mentioned risks.
- 12.4 Any processing of or modification to the RETAINED GOODS shall be performed for SCHNEIDER as "manufacturer", without creating any obligations for SCHNEIDER. Processed GOODS shall be considered RETAINED GOODS as defined in art. 12.1. If CUSTOMER processes, combines or mixes RETAINED GOODS with other GOODS, SCHNEIDER shall be entitled to jointly own the new good in proportion of the invoiced price of the RETAINED GOODS to the invoiced price of the other GOODS used. If SCHNEIDER's ownership in the RETAINED GOODS ceases due to the combination or



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mixing with other GOODS, CUSTOMER hereby transfers part of its ownership rights in the new good equalling the invoiced price of the RETAINED GOODS used in the new GOODS and agrees to store the new GOODS for SCHNEIDER free of charge. The joint ownership rights hereby created shall be deemed RETAINED GOODS within the meaning of art. 12.1.

- 12.5 CUSTOMER shall only be entitled to resell, process, combine or mix the RETAINED GOODS with other GOODS (hereinafter collectively referred to as “**RESALE**” of the RETAINED GOODS) if such action is taken in the proper course of business and if CUSTOMER is not in default. Any other disposition of the RETAINED GOODS is not permitted. SCHNEIDER must be immediately notified of any third party attachments or other seizures of the RETAINED GOODS. The costs of any intervention, e.g., costs for commencing an action to prevent the foreclosure of a third party into CUSTOMER’s assets, shall be borne by CUSTOMER if such costs cannot be collected from the third party (the defendant in the action) upon first demand and if the intervention was justified. If CUSTOMER grants its buyers an extension for the payment of the purchase price, CUSTOMER must retain title to the RETAINED GOODS subject to the same conditions on which SCHNEIDER RETAINED title to the delivered RETAINED GOODS; however, CUSTOMER shall not be obligated to extend the retention of title with respect to future claims against its buyers. If CUSTOMER does not comply with the foregoing it shall not be entitled to the Resale of the RETAINED GOODS.
- 12.6 CUSTOMER’s claims from any Resale of the RETAINED GOODS are hereby assigned in advance to SCHNEIDER. They shall serve as security to the same extent as the RETAINED GOODS do. CUSTOMER shall only be entitled and authorized to the Resale of the RETAINED GOODS if it is ensured that CUSTOMER’s claims arising from the Resale will be transferred to SCHNEIDER.
- 12.7 If CUSTOMER sells the RETAINED GOODS together with GOODS from other suppliers at a lump sum price, CUSTOMER has to assign its claims arising from that sale in the amount of the invoiced price of the RETAINED GOODS sold.
- 12.8 If an assigned claim is included in a current account, CUSTOMER hereby assigns to SCHNEIDER that part of the balance (including the final balance arising from the current account) which equals the amount of the claim.
- 12.9 CUSTOMER shall be entitled to collect the claims assigned to SCHNEIDER until such right is revoked by SCHNEIDER. SCHNEIDER shall be entitled to revoke the right to collect such claims if CUSTOMER does not duly meet its payment obligations under any business transaction with SCHNEIDER, or if SCHNEIDER becomes aware of circumstances which could materially reduce CUSTOMER’s creditworthiness. If the



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conditions to exercise the revocation right are met, CUSTOMER, at SCHNEIDER's request, shall immediately disclose the assigned claims and their debtors, provide all information required for collecting such claims, submit the pertinent documents to SCHNEIDER and notify the respective debtors of the assignment. SCHNEIDER reserves the right to personally notify the debtors of the assignment. If the nominal value (invoiced price of the GOODS or face value of the claims) of SCHNEIDER's security interest exceeds the value of secured claims by more than twenty percent (20%), SCHNEIDER, at CUSTOMER's written request, shall be obliged to release security interests at SCHNEIDER's discretion.

- 12.10 SCHNEIDER's exercise of its right to retention of title shall only be considered as a withdrawal from the contract if expressly stated in writing by SCHNEIDER. CUSTOMER's right to possess the RETAINED GOODS shall cease if CUSTOMER fails to meet its obligations under this or any other contract.

13. Intellectual Property Rights

- 13.1 If a third party legitimately asserts claims against CUSTOMER based on infringement of without limitations copyrights, ("**INTELLECTUAL PROPERTY RIGHTS**") by GOODS delivered by SCHNEIDER and used by CUSTOMER in accordance with the contract, then SCHNEIDER, provided that such claims are not time-barred pursuant to art. 10, shall either

13.1.1 obtain for CUSTOMER the right to use the GOODS, or

13.1.2 modify the GOODS in such a way that the infringement is eliminated, or

13.1.3 replace the GOODS with another item of corresponding quality and efficiency which does not infringe any INTELLECTUAL PROPERTY RIGHTS, or

13.1.4 take back the GOODS and return the purchase price minus a reasonable deduction for interim use.

- 13.2 The above-mentioned obligations of SCHNEIDER shall only exist on the condition that CUSTOMER immediately notifies SCHNEIDER in writing of the asserted third party claims, that CUSTOMER does not acknowledge an infringement and that the defence of such claims and any settlement negotiations are reserved to SCHNEIDER. If CUSTOMER discontinues the use of the GOODS to mitigate damages or for other important reasons, CUSTOMER must inform the third party that the discontinuance is not an acknowledgment of any INTELLECTUAL PROPERTY RIGHTS infringement.



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- 13.3 CUSTOMER shall not be entitled to any claims if CUSTOMER is responsible for the infringement of the INTELLECTUAL PROPERTY RIGHTS. This is, among other things, the case when third party INTELLECTUAL PROPERTY RIGHTS are infringed by GOODS manufactured in accordance with special specifications, drawings, designs or other information provided by CUSTOMER, or if CUSTOMER has made changes to the GOODS, installed additional devices or combined the GOODS with other equipment or devices thereby infringing third party INTELLECTUAL PROPERTY RIGHTS. Moreover, in such cases CUSTOMER must indemnify SCHNEIDER against third party claims.
- 13.4 CUSTOMER shall have no further claims based on a third party INTELLECTUAL PROPERTY RIGHTS infringement.
- 13.5 CUSTOMER shall not be entitled to use INTELLECTUAL PROPERTY RIGHTS that are at SCHNEIDER's disposal and concern the combination of the GOODS with other items.

14. Software

- 14.1 CUSTOMER shall only be entitled to use the installed software to the extent it is necessary to use the GOODS. Such right to use the software shall not be exclusive and shall be limited to the GOODS. CUSTOMER shall not be permitted to make any copies whatsoever of any software handed over by SCHNEIDER of or installed software, unless agreed in writing by SCHNEIDER.
- 14.2 CUSTOMER shall be entitled to transfer the right to use the software, subject to the limitations described above, to subsequent owners or lessees of the GOODS upon prior written confirmation of SCHNEIDER.
- 14.3 Schneider reserves all Intellectual Property Rights to the software, even if such software was specifically developed for CUSTOMER.
- 14.4 Unless otherwise agreed in writing, SCHNEIDER shall not be obliged to provide CUSTOMER with updated versions of the installed software.

15. Withdrawal

- 15.1 SCHNEIDER shall be entitled to withdraw from the contract if performance of its obligations under the contract becomes impossible due to reasons for which SCHNEIDER cannot be held responsible. Moreover, SCHNEIDER shall be entitled to withdraw from the contract due to events, which could not have been foreseen when the contract was



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executed, the conditions that formed the basis of the contract fundamentally change so that it is no longer reasonable for SCHNEIDER to comply with the contract.

- 15.2 In the aforementioned cases SCHNEIDER shall be entitled to demand reimbursement of all necessary expenses incurred in connection with the order, unless the items produced for the order can otherwise be utilized or sold at the same value within a reasonable period of time.

16. Venue, Place of Performance, General Provisions

- 16.1 Place of performance for all obligations shall be SCHNEIDER's place of registered business.

- 16.2 Any disputes arising out of or in connection with any contract between SCHNEIDER and CUSTOMER shall be finally settled by the Rules of Arbitration of the China International Economic and Trade Arbitration Commission (**CIETAC**) in Shanghai by three arbitrators appointed in accordance with said Rules in force at the time the dispute is submitted to arbitration. Unless modified herein, the CIETAC rules shall be deemed as incorporated by reference in this clause.

- 16.3 The following regulations shall prevail in the order as stated below for the interpretation of the contractual relationship.

16.3.1 Special agreements or arrangements between the Parties in writing, which are not part of a contract, If the dispute cannot be resolved by these provisions, the following provisions shall apply:

16.3.2 The provisions of a contract between the Parties, If the dispute cannot be resolved by these provisions, the following provisions shall apply:

16.3.3 A Framework agreement between the parties if any If the dispute cannot be resolved by these provisions, the following provisions shall apply:

16.3.4 These General Terms and Conditions, If the dispute cannot be resolved by these provisions, the following provisions shall apply:

16.3.5 In case an issue still remains insolvable by the aforementioned rules, laws, agreements, of regulations, then Chinese law shall apply.

16.3.6 If the dispute cannot be resolved by the provisions above, then the arbitra-



tors may decide the case according to these provisions.

16.4 If any term or provision hereunder is invalid or unenforceable or later becomes invalid, the remainder of these terms and conditions shall not be affected thereby. An invalid or unenforceable provision is deemed to be replaced by a valid provision which corresponds as closely as possible to the intended economic purpose of the parties. The same shall apply to any gaps in the contract.

These terms and conditions have been discussed, agreed, signed and stamped by authorized signature.

on behalf of SCHNEIDER

_____ Date

on behalf of CUSTOMER

Date
Signature of the Legal Representative

Company chop