

Terms of Delivery

Walser GmbH Vertrieb und Produktion

a Limited Liability Corporation, organized and existing under the laws of the Republic of Austria, located at Radetzkystrasse 114, A-6845 Hohenems (Austria), and

Walser Industrial Group AG (public limited company)

a Limited Liability Corporation, organized and existing under the laws of Switzerland, located at Werkstr. 10, CH-9444 Diepoldsau (Switzerland), and

Walser Asia Pacific Ltd.

a Limited Liability Corporation, organized and existing under the laws of Hong Kong, located at China Hong Kong, 21th Floor, Unit C, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong.

(hereinafter referred to individually or collectively as „Walser“ or “Walser Group”)

Preamble

Walser designs, develops, produces and sells automobile interior equipment and accessories for the specialized trade and for specialized markets. Walser is one of the largest producers of slipcovers for car seats for secondary equipment world-wide. The Manufacturer intends to manufacture for Walser specific goods in accordance with the specifications, technology and know-how provided by Walser, and with the materials, parts and design necessary to meet the required quality standards. The Manufacturer is willing to manufacture, sell and supply its goods exclusively to Walser for use throughout specified countries (the “Territory” as defined below), and take the necessary measures to prevent disclosure of their exclusive business relationship and any information or technology relating to this relationship. The Parties intend to establish a long-term business relationship and intend that these Terms of Delivery shall provide a broad structure intended to harmonize all other agreements between the Parties.

Agreement

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth, the Parties agree as follows:

Article 1 Definitions

- 1.1 “Confidentiality Obligations,” shall mean the requirement placed upon the Parties to these Terms of Delivery to keep certain information confidential, and not to disclose or allow Third Parties to gain access to such information. These obligations shall also apply to the employees of the Parties.
- 1.2 “Contract for the Purchase of Goods” shall mean an individual contract, which is concluded between Walser and the Manufacturer for each sale and purchase of goods according to Article 2.6 through 2.10 and shall be supplemented and clarified by these Terms of Delivery.
- 1.3 “Goods” shall mean collectively those Licensed Products which are products, models, materials or other items to be sold and/or supplied to Walser.
- 1.4 “Incoterms 2020”: All terms used in these Terms of Delivery and in any Contract for the Purchase of Goods that are defined in Incoterms 2020 (International Commercial Terms from the International Chamber of Commerce in Paris) are used as defined therein.
- 1.5 “Manufacturing Agreement” shall mean this agreement, including its applicable documents.
- 1.6 “Manufacturing Specifications” means the quality and description of the Goods required by these Terms of Delivery.
- 1.7 “Order Value” shall mean the total monetary amount of the Goods ordered as stated on the purchase order.
- 1.8 “Territory” shall mean the European Union, Switzerland, the Russian Federation, Turkey, the United States of America, Canada and Hong Kong.
- 1.9 “Third Parties” shall mean each individual enterprise or its affiliated company, which is not affiliated to Walser and has its registered office within the Territory.
- 1.10 “Trademarks” shall mean any trademark, trade name, business name or corporate name or a part thereof used or registered by Walser or a customer of Walser.
- 1.11 “Quality Guarantee” shall mean a contract in which the bank guarantor promises Walser to become liable for the obligation of the Manufacturer with respect to any quality requirements as stipulated in the Manufacturing Agreement and Contracts for the Purchase of Goods.
- 1.12 “Qualified Raw Materials Supplier” shall mean a provider of raw materials that has been approved by Walser according to Walser Groups General Conditions of Inspections and Factory Audit these Terms of Delivery, implemented and updated by Walser from time-to-time in its sole discretion, to supply raw materials to be integrated into the Goods, and such approval will be in writing and signed by an authorized representative of Walser. The applicable documents 2 is not enclosed with each manufacturing agreement.
- 1.13 “Quality Control Standards” shall mean all guidelines, instructions, specifications, approvals, inspection, and testing, etc. implemented and updated by Walser from time-to-time in its sole discretion to ensure and improve the quality of the Goods, and specifically set forth under these Terms of Delivery and its applicable documents.

Article 2 Manufacture and Sale of Goods

- 2.1 The Manufacturer hereby agrees to manufacture, produce, assemble (“manufacture”) Goods according to the Walser’s specifications and technical requirements.
- 2.2 The Manufacturer shall not deviate from the Manufacturing Specifications or other production methods required by Walser, without the express written consent of Walser. Any modification or improvement discovered by the Manufacturer shall only be implemented after inspection and written approval by an authorized responsible representative (like CEO or CPO) of Walser. Walser shall own all rights to any modifications or improvements developed in the manufacturing process by the Manufacturer, and the Manufacturer shall only use such improvements or modifications for the manufacture of Goods produced for Walser.
- 2.3 Due to the characteristics of the technologies licensed by Walser, the Manufacturer shall purchase certain raw materials determined by Walser exclusively from qualified raw material suppliers determined by Walser, and use such raw materials for the manufacturing of the Goods.
- 2.4 Walser shall have an absolute right to cancel any purchase order and reject any Goods that are not manufactured according to the Manufacturing Specifications, and/or and Goods that are not manufactured using the raw materials from qualified raw materials suppliers according to Exhibit 1 and 2.
- 2.5 Before the Manufacturer begins to manufacture any Goods, all materials must be tested and approved by Walser. Only with the written permission of Walser and only if all components have passed all chemical and physical testing requirements, as set forth by these Terms of Delivery and its Exhibits, will the Manufacturer be allowed to begin the production of Goods. Any costs and expenses involved in testing of the Goods by TÜV Rheinland Group, Hohenstein Institutes and Intertek Testing Services, or any other inspection company of Walser, shall be born solely by the Manufacturer.
- 2.6 Walser shall submit purchase orders for Goods to the Manufacturer in writing, whether by fax, e-mail, or otherwise, which shall at a minimum, set forth the product numbers, price, quantities, delivery dates, and place of delivery.
- 2.7 In case of any conflict between the terms and conditions of the purchase order and these Terms of Delivery, the latter shall prevail.
- 2.8 The terms and conditions for the purchase and supply of Goods under these Terms of Delivery and any purchase order shall apply exclusively, and override any other terms referred to (or which may be referred to) by the Manufacturer in any confirmation order or elsewhere, unless expressly accepted in writing signed by an authorized responsible representative (like CEO or CPO) of Walser and by an authorized representative of the Manufacturer.
- 2.9 Every purchase order placed by Walser shall become binding on the Manufacturer upon its receipt of the purchase order. The Manufacturer shall be bound to execute such purchase order based on the terms and conditions of these Terms of Delivery and the purchase order.
- 2.10 Purchase orders placed by Walser must be confirmed by the Manufacturer, in writing, within three (3) working days after receipt of the purchase order. The order confirmation shall contain at a minimum the content of the purchase order according to Article 2.6, together with the company stamp and signature of an authorized representative of the Manufacturer. Walser may cancel the purchase order any time prior to its receipt of a written confirmation meeting all of the stated requirements.

Article 3 Delivery

- 3.1 The delivery date and the place of delivery shall be set forth in the individual purchase orders and confirmed in the order confirmation.

- 3.2 All deliveries shall be subject to the requirements for quality control as required by these Terms of Delivery and its applicable Documents, and if necessary shall include a “Walser Inspection Certificate”.
- 3.3 Goods shall be delivered in accordance with the packing and shipping instructions provided by Walser to the Manufacturer. All packages shall be clearly marked with a description of the contents and the recipient’s address. All deliveries shall be accompanied by a delivery note. The delivery note must stipulate how many packages make up the delivery. All documents relating to the order of goods, and in particular the delivery notes and invoices shall bear Walser’s purchase order number and product code and Manufacturer’s article number and, when required, Walser’s article number.
- 3.4 Only Goods actually ordered may be delivered, any over or under orders delivered shall be notified to Walser and will only be accepted upon Walser’s written acceptance. In case of an over or under delivery of the placed purchase order, Walser is not obligated to accept the delivery. Where there is an over or under delivery of up to 5% of the Order Value, Walser shall be permitted to deduct 10% of the Order Value, and where the over or under delivery is up to 10% Walser shall be permitted to deduct 15% of the Order Value. Over or under deliveries shall only be accepted after a written confirmation is signed by both Parties. If Walser rejects such over or under delivery of Goods, the Manufacturer shall be liable for the costs of return delivery and shall bear the risk of loss.
- 3.5 Should any limitations or quotas affecting the Goods ordered, be introduced in the place of ultimate destination of those Goods, subsequent to the placing of the purchase order, Walser shall be entitled to reduce the purchase order accordingly without incurring any increase in the unit price.
- 3.6 The time stipulated in the purchase order for delivery of Goods shall be of the essence, and the Manufacturer will deliver the Goods in the manner and at the times so stipulated. The Manufacturer is obliged to give notice, in writing, to Walser if a delay in delivery is to be expected. Walser is not obligated to accept the Goods in any case of a delay.
- 3.7 The time stipulated for the delivery of Samples, if the delivery of Samples is negotiated during production process, shall be of the essence, and the Manufacturer has to deliver the Samples in the manner and at the times so stipulated. The Manufacturer is obliged to give notice, in writing, to Walser if a delay in delivery of the Samples is to be expected. Walser reserves the right to charge the Manufacturer with EUR 2.000 / USD 3.000 if the delivery of Samples is delayed no matter if the Manufacturer gives notice or not.
- 3.8 Without prejudice to any other rights and remedies Walser may cancel the purchase order without any liability for breach of contract if the Goods are not delivered by the stipulated delivery date.
- 3.9 If Manufacturer fails for any reason whatsoever to deliver on delivery date as stated in the purchase order, Walser may claim all losses suffered by reason of such failure (i.e. for additional costs for transportation, insurance, storage, etc.) from the Manufacturer.
- 3.10 Walser has the right to claim a fine of 25% of the Order Value for each week delivery is delayed. If an expedited transport method is necessary for the Goods to arrive on the stipulated delivery date, then the Manufacturer is obligated to expedite the delivery and must pay the extra costs.

Article 4 Passage of Risk

Unless expressly accepted in writing signed by an authorized representative of Walser and the Manufacturer the time at which the risk of damage or loss of the goods shall pass, shall be fixed in accordance with Incoterms 2020. If no further indication is given in the Contract for the Purchase of Goods, the Goods shall be deemed to be sold “FOB” (Free On Board, Incoterms 2020). Deliveries to Walser’s forwarding agent shall be made free of charge. All forwarding risks shall be assumed by the Manufacturer until the unconditional acceptance of the Goods by Walser or its authorized agent.

Article 5 Examination and Acceptance of Goods

- 5.1 Walser or another ultimate buyer are not obliged to inspect the goods after delivery. Walser or another ultimate buyer are also not obliged to give notice to the seller specifying the nature of the lack of conformity.
- 5.2 Walser reserves the right to inspect the goods after delivery and to reject any Goods, which Walser considers defective or of inferior quality.
- 5.3 Walser reserves the right to reject the entire delivery at the Manufacturer’s risk and expense, if any delivery is comprised of Goods with critical defects or contains a level of chemicals or harmful substances exceeding that permitted by the Quality Control Standards. Walser has the right to reduce the Order Value by 5%, if up to 1.5% of the delivered Goods contain major defects, or by 15%, if up to 4% of the delivered goods contain minor defects. (Major and minor defects shall be determined in accordance with the definitions provided in the General Conditions of Inspection and Factory Audit)
- 5.4 Manufacturer shall return to Walser any purchase price paid by Walser in respect to the rejected Goods. The costs and expenses involved in handling and inspecting as well as the cost of return shipment after the examination, will be credited by Manufacturer to Walser.

Article 6 Price of Goods

Except as otherwise expressly agreed in writing between the Parties and signed by the authorized Representatives of Walser and the Manufacturer, the purchase price quoted on the purchase order shall be fixed and binding and shall not be subject to any variation, unless permitted under these Terms of Delivery.

Article 7 Payment Terms

- 7.1 Payment Terms are agreed upon the first order between the Parties and are not subject to any discussion during order handling. If article 7.1 is not valid, then the minimum required Payment Term as in article 7.3 and 7.4 is applied.
- 7.2 In general, the agreed Payment Term is shipment with open invoice. The due date is agreed at least 30days after arrival of goods in Europe.
- 7.3 Purchase Orders with a contract price up to and including USD 100,000 shall be shipped with an open invoice. The due date will be agreed on the individual Purchase Order.
- 7.4 Purchase orders with a contract price exceeding USD 100,000 shall be made by L/C (letter of credit), on request.
- 7.5 On request by Walser the Manufacturer is obliged to provide irrevocable Quality Guarantees of 50 % of any contract issued by an international bank for any Contract for the Purchase of Goods to ensure that the guarantor bank shall compensate Walser with the sum stated in the letters of guarantee when the quality of the Goods supplied by Manufacturer is not agreeable with the terms of the Manufacturing Agreement and/or Contracts for the Purchase of Goods and the Manufacturer fails to provide supplementary performance as requested by Walser according to the Manufacturing Agreement or Contracts for the Purchase of Goods. The Manufacturer shall provide the Quality Guarantees with terms and conditions in conformity with the requirements of Walser within fourteen (14) working days after the confirmation of the Purchase Order pursuant to Article 2.10 of the Manufacturing Agreement.

Article 8 Trademarks

- 8.1 The Manufacturer in not permitted to and will not adopt, use or register any trademark, trade name, business name or corporate name or any part thereof that is used or registered in the favor of Walser, its affiliated companies, or customers. The Manufacturer is not entitled, whether during the term of these Terms of Delivery, or after its termination, to use or register any word or symbol similar to any of Walser’s trademarks. This clause shall apply to any adoption, use or registration, and also to the use of Chinese characters, within the People’s Republic of China as well as in any other country worldwide.
- 8.2 The Manufacturer undertakes to avoid loss, the duplication or improper use of any items or materials, which incorporate trademarks of Walser.
- 8.3 For each violation of Articles 8.1 through 8.4 the Manufacturer shall pay a penalty of USD 50,000. Offset or retention of the penalty in any form by the Manufacturer is not permitted. The request or payment of the penalty is without prejudice to the rights or claim for damages by Walser.
- 8.4 The Manufacturer shall promptly notify Walser, in writing, about any infringement of Walser’s trademark rights. The Manufacturer shall render all and every assistance that may be necessary in connection with actions or proceedings by Walser against any infringer.

Article 9 Quality Control Standards

- 9.1 Walser shall be entitled to implement Quality Control Standards to ensure that the Goods manufactured by the Manufacturer meet the high standard of quality demanded by Walser and shall have the right to update any Quality Control Standard from time-to-time, as Walser deems necessary, in its sole discretion. Any changes made to the existing Quality Control Standards shall be noticed to the Manufacturer and shall be implemented by the Manufacturer and take effect within thirty (30) days of the receipt of notice.
- 9.2 The Manufacturer shall comply with and fulfill the applicable Quality Control Standards set forth in applicable documents 1 and 2 of these Terms of Delivery.

- 9.3 The Manufacturer shall endeavor to increase the quality standard of the Goods produced in order to ensure consumer confidence of Walsler Products.
- 9.4 Walsler reserves the right for its authorized representatives, at all reasonable times, to inspect and test the Good during the manufacturing process at the Manufacturer's facilities. Walsler shall have the right to reject any Goods that it considers defective and/or inferior, or Walsler can reject the goods if the Manufacturer does not provide the opportunity to have the goods inspected. No acceptance of the Goods shall be implied if Walsler fails to inspect and/or reject the goods.
- 9.5 Walsler shall have the absolute right to reject any Goods that do not meet the requisite quality standard, or that were manufactured during a time period that the Manufacturer was non-compliant or failed meet any of the criteria for set forth in the applicable Quality Control Standards or Article 2.3 of these Terms of Delivery.

Article 10 Confidentiality Obligation

- 10.1 The Manufacturer shall keep all information about the business relationship between the parties, trade secrets, know-how, designs, construction plans, prices, quantities, innovations, specifications, layouts, packaging, samples or any other items which already have been or will be provided to the Manufacturer or of which the Manufacturer gains knowledge of otherwise, and other important matters ("confidential information") with Walsler confidential, and shall provide the necessary means to prevent unauthorized disclosure of any confidential information. Oral declarations concerning such information by Walsler's employees shall also be included in the obligation of confidentiality. For the purpose of these Terms of Delivery, the term "Manufacturer" also includes any and all employees of the Manufacturer having access to confidential information regarding the business relationship.
- 10.2 The Manufacturer shall only permit access to confidential information regarding the business relationship, to those employees who are properly engaged in the execution of the Contract for the Purchase of Goods and for the purpose of fulfilling the Manufacturing Agreement, and these individuals must have previously signed a Non-Disclosure Agreement (NDA) in the form set forth in applicable documents 3 of these Terms of Delivery. The originals of such signed NDA shall be forwarded to Walsler. The Manufacturer shall not use any of this confidential information for any customer except for Walsler. The Manufacturer shall not show these items at fairs, in catalogues or brochures, etc.
- 10.3 The Confidentiality Obligation does not apply to any confidential information, which is disclosed to the Manufacturer by a Third Party without breach of any Confidentiality Obligation of such Third Party, or is part of the public domain at the time of access. The Manufacturer has the burden of proof to demonstrate that any such exceptions apply.
- 10.4 For each violation of the Confidentiality Obligation under these Terms of Delivery the Manufacturer shall pay a penalty of USD 50,000. Offset or retention of the penalty in any form by the Manufacturer is not permitted. The request or payment of the penalty is without prejudice to the rights or claim for damages by Walsler.
- 10.5 The Manufacturer shall hold Walsler harmless for any damages, costs or expenses incurred (including court costs and reasonable attorney's fees) in the case of a violation of the Confidentiality Obligation. This obligation shall also be applicable to any breach of the Confidentiality Obligation Agreement caused by an employee of the Manufacturer.

Article 11 Warranties

- 11.1 Warranties relating to the Quality of Goods
- (a) The Manufacturer shall remain fully liable for any defective or low quality raw materials used in the manufacture of Goods, and Walsler's approval of the raw materials or the Quality Control Standards, shall no way act as an assumption, acceptance or transfer of liability arising from the defective Goods.
- (b) The Manufacturer warrants that the Goods delivered under these Terms of Delivery will conform to all specifications and industry standards, and that the Goods shall be merchantable, constructed with good material and workmanship, fit for the purposes that Walsler intends, and are free from defects. Any approval of Goods, sample, drawing, specification, or standard will not relieve Manufacturer of any of its warranties. Manufacturer's warranties extend to future performance of the Goods and shall survive inspection, tests, acceptance, and payment.
- (c) Manufacturer's warranties hereunder shall extend to any defect or non-conformity arising or manifesting itself within two (2) years after delivery. With respect to Goods not in accordance with any such warranties, Walsler without waiving any of its rights or remedies provided by law and/or elsewhere under these Terms of Delivery, may require the Manufacturer to correct or replace such Goods at the Manufacturer's risk and expense. Any Goods corrected or replaced shall be subject to the provisions of these Terms of Delivery in the same manner as those originally delivered hereunder and for a new two (2) year warranty period.
- 11.2 Warranties of compliance with laws
The Manufacturer warrants and undertakes in favor of Walsler that in the performance of these Terms of Delivery and any Contract for the Purchase of Goods will comply with all applicable laws, rules, regulations, decrees and other ordinances.
- 11.3 Miscellaneous Warranties
- (a) The Manufacturer warrants that the Goods are its absolute property, and none are subject to any option, right to acquire, assignment, mortgage, charge, lien or hypothecation or any other encumbrance whatsoever or the subject of any factoring arrangement, hire purchase, conditional sale or credit sale agreement.
- (b) The Manufacturer warrants that the Goods delivered are not manufactured by means of exploitative, unhealthy or slave-like child labor, or by forced or exploited labor, or by any other kind of prison work which violates human dignity.
- (c) The Manufacturer is responsible for the correctness of the contents, form and the authenticity of the certificates of origin. Furthermore, it is the duty of the Manufacturer to ensure that the relevant import and custom regulations of the country of destination are ready when needed.

Article 12 Indemnification

Manufacturer shall defend, indemnify and hold Walsler (including its directors, officers, employees, agents and end users) harmless from and against any damages, claims, costs and expenses (including actual attorneys' fees) arising from or relating to (i) any breach or misrepresentation by the Manufacturer under these Terms of Delivery or Contract for the Purchase of Goods, (ii) any matter relating to Goods manufactured or supplied by the Manufacturer hereunder, except to the extent the same is a result of gross negligence on the part of Walsler, or (iii) any negligence or willful misconduct on the part of the Manufacturer, its employees, agents or subcontractors. Without limiting the generality of the foregoing, the Manufacturer shall assume all costs and expenses involved should Walsler be required by any applicable law or should Walsler deem it necessary in its sole discretion to recall Goods due to manufacturing defects.

Article 13 Property in designs, drawings and specifications

All designs, drawings, specifications and other items furnished by Walsler to Manufacturer shall remain the sole and exclusive property of Walsler. All such items shall be returned to Walsler at Manufacturer's risk and expense or destroyed by the Manufacturer at the request of Walsler.

Article 14 Force Majeure

Neither Walsler nor the Manufacturer shall be liable for any delay or failure in carrying out any of its obligations under any purchase order if such delay or failure is the result of any labour dispute, strike, fire, explosion, lockout, flood, earthquake, failure of shipping facilities or transportation agencies, embargoes, insurrection or civil disorder, actions or decrees of governmental bodies, acts of God or other causes or conditions beyond the reasonable control of the Parties and without its fault or negligence ("Force Majeure"), however provided that the Parties shall give each other written notice of any such delay or failure as promptly as reasonably practicable after it has notice of conditions or circumstances which may cause such delay or failure.

Article 15 Subcontracting and Assignment

Walsler reserves the right to delegate or subcontract its performance obligations under these Terms of Delivery or any Contract for the Purchase of Goods, in whole or in part, and further reserves the right to assign or transfer any contract between the Parties, or part thereof, and the rights, interests and claims arising out of the performance of such contracts, to any company of Walsler or any Third Party, and at any time.

Article 16 Waiver

Failure by Walsler, at any time, to enforce any of the provisions, of any agreement between the Parties, shall not be construed as a waiver by Walsler of such provisions or in any way affect the validity of these conditions. All waivers within the scope of any agreement between the Parties must be made in writing.

Article 17 Duration, Termination

- 17.1 The initial term of these Terms of Delivery shall commence on the effective date of these Terms of Delivery and shall continue for five (5) years thereafter. These Terms of Delivery will be automatically renewed after the initial period on a year-to-year basis, unless written notice is provided to the other Party at least three (3) months prior to the expiration.
- 17.2 Any Party may immediately terminate these Terms of Delivery by written notice to the others:
- (a) If one of the Parties has ceased its business activities or has otherwise begun winding up its business affairs;
- (b) If bankruptcy, reorganization, arrangement or insolvency proceedings, or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors, are instituted by or against one of the other Parties and are consented to or are not dismissed within sixty (60) days after such institution;
- (c) Walsler may immediately terminate these Terms of Delivery if the Manufacturer fails, for any reason, including the case of Force Majeure, to meet the required shipment dates, quantity term, or quality standards as required of the Goods, or for the Manufacturer's failure or inability to obtain or meet the required standards for manufacturing the Goods, at any time.
- (d) Walsler shall have the right to terminate these Terms of Delivery and seek full compensation for any damages suffered if the Manufacturer fails to comply with any of the obligations mentioned in these Terms of Delivery including its Exhibits.
- (e) Walsler shall have the right to require the Manufacturer to continue to fulfil in whole or in part any open purchase orders after termination. Upon fulfillment of any such purchase orders, the Manufacturer shall destroy or return to Walsler, at the Manufacturer's expense, and at Walsler's option, all of Walsler's documents and other information that has been disclosed to the Manufacturer and is in the Manufacturer's possession or control.
- (f) If the Manufacturer terminates these Terms of Delivery for any reason, it is necessary that Walsler has sufficient time to identify and obtain a replacement manufacture of similar capabilities without interruption of Walsler's forecasted demand. Walsler shall be entitled, within thirty (30) days of receipt of the Manufacturer's termination notice, to order Goods in a quantity that represents Walsler's anticipated needs for the six (6) month period following Walsler's receipt of the Manufacturer's termination notice. Such order shall comply with the terms and conditions of these Terms of Delivery, even if such Goods are shipped after the effective date of termination of the Manufacturing Agreement.
- (g) The termination of these Terms of Delivery shall not affect any of the provisions of these Terms of Delivery that by their nature are intended to continue after termination.
- (h) Walsler in exercising its rights to terminate these Terms of Delivery in accordance with the terms and conditions hereof shall not incur any liability whatsoever for any damage, loss or expense of any kind suffered or incurred by the Manufacturer (or for any compensation to the Manufacturer) arising from or incident to any such termination, expiration or non-renewal. Any termination hereof shall not impair any rights nor discharge any obligations which have accrued to Walsler as of the effective date of such termination.

Article 18 Applicable Law, Arbitration

- 18.1 These Terms of Delivery and all Contracts for the Purchase of Goods shall be governed by and shall be construed in accordance with the United Nations Convention on Contracts for the International Sale of Goods.
- 18.2 Any disputes arising from the execution of, or in connection with these Terms of Delivery shall be settled through friendly consultation between both Parties. In case no settlement can be reached through consultations, the disputes shall be submitted to VIAC, the Vienna International Arbitral Centre, for arbitration in accordance with its rules of procedure. The place of arbitration shall be Vienna and the language of arbitration shall be English. The arbitration award is final and binding upon both Parties. During the arbitration, the Parties shall continue to perform their duties under these Terms of Delivery, except for those matters in dispute and that are being arbitrated.
- 18.3 Prior to the settlement of a dispute in accordance with this Article 19, the Parties will abide by their obligations under these Terms of Delivery without prejudice to a final adjustment in accordance with the arbitration award.
- 18.4 Irrespective of the other provisions in these Terms of Delivery regarding choice of law, nothing in these Terms of Delivery shall limit each Party's right to seek to obtain in any court of competent jurisdiction any equitable or interim relief or provisional remedy, including injunctive relief but the Parties must arbitrate their dispute after such procedure.

Article 19 Severability

In the event any provision of these Terms of Delivery or of any Contract for the Purchase of Goods is invalid or unenforceable, the validity of the remaining provisions shall not be affected or impaired thereby. In place of the invalid or unenforceable provision, a valid and enforceable provision shall be deemed to be agreed upon which most closely corresponds to the intended economic purpose of the invalid or unenforceable provision.

Article 20 Modifications and Amendments

All changes and/or amendments to these Terms of Delivery and/ or any Contract for the Purchase of Goods must be made in writing by the Parties unless provided differently in these Terms of Delivery. This also applies to an amendment of this Article.

Article 21 Notices

Unless otherwise specified in these Terms of Delivery or in any Contract for the Purchase of Goods, any notice, request, direction, or communication required or desired to be given or made, is to be in writing and is effective if delivered in person, or sent by mail, telegram or facsimile addressed to the other Party to the Walsler GmbH, Mr. Walsler Hans-Karl, Radetzkystr. 114, 6845 Hohenems / Austria, with postage thereon fully prepaid or charges prepaid. The effective time of notice shall be at the time of receipt of such notice. Signatures transmitted by way of facsimile communication shall be binding.

For the Walsler Group

Hans-Karl Walsler
CEO

List of applicable documents

1. Quality Standards (individual for each category)
2. General Conditions of Inspections and Factory Audit (WBI 283)
3. Non-Disclosure Agreement (NDA) (WBI 937)
4. Manufacturing Agreement (WBI 473)