

General Terms and Conditions of Sales

The Terms and Conditions set out below (hereinafter: "T&C") apply to deliveries and services provided to the customer (hereinafter: "CUSTOMER") for a consideration by Bosch (Shanghai) Security Systems Ltd., address 8,9 Floor, 201 Building, No.333 Fuquan Rd North IBP, Shanghai (hereinafter: "BOSCH"). Standard business terms of the CUSTOMER shall not apply; they are hereby explicitly rejected. This applies even if, in connection with a purchase order or in other documents of the CUSTOMER, reference is made to its standard business terms and if BOSCH does not explicitly reject them in this case.

1. Validity

Unless expressly withdrawn, the quotation of BOSCH is open for acceptance within the period stated therein, or when no period is stated within thirty (30) days from the date of the quotation. Any order shall only be binding for BOSCH after a confirmation in writing (including fax and e-mail) or by ways of an automated system e.g. EDI by BOSCH (the "Order Confirmation"). Notwithstanding the previous sentence, BOSCH's performance is conditional to the absence of hindrances attributable to applicable national, US, EU or international rules of foreign trade law or any embargos or other sanctions exist. The CUSTOMER shall provide all information and documents required for export, transport and import purposes.

2. Order entry – confirmation - cancellation

After receipt of the order from The CUSTOMER, BOSCH will provide the Order Confirmation, containing information on the Products, the price, surcharges (if any) and the expected delivery date of the Products specified in the order. The CUSTOMER is not allowed to cancel orders or order lines without prior written consent of BOSCH. Costs related to order cancellations (amongst others off the shelf or make-to-order items) will be charged to The CUSTOMER.

3. Prices and surcharges;

Unless otherwise agreed in writing, the price of the Products shall be the price set out in the published price list of BOSCH plus the statutory amount of Value Added Tax and other statutory indirect taxes. BOSCH may modify the pricelist and shall communicate any such modification, which modification is hereby already for then and unconditionally accepted by The CUSTOMER.

BOSCH reserves the right to charge surcharges, in particular a small order charge or an express (air) freight charge any other service charge for services requested by The CUSTOMER, like labelling or packaging or testing.

In case of FCA shipment the CUSTOMER is requested to arrange and deploy the pickup of the Products from the BOSCH defined warehouse within 3 business days after the notification by BOSCH that the goods are ready for pickup. Shipments with FCA Incoterms remaining longer than 2 weeks in the BOSCH warehouse are subject to a specified surcharge of the total invoice per started period of 4 weeks in which the Products remain in the BOSCH warehouse.

On every order there will be handling fee as a percentage of FCA sales value, as specified in the Annex "Annual Price Agreement."

Standard freight charges are applicable for following modes of transportation:
Dangerous goods as defined in the EU Directive for inland transport and the IATA Dangerous goods regulation.

Shipments by Air freight (based on DAP place of destination):
A specified percentage of the sales value, all products (except Dangerous Goods):
A specified percentage of the sales value, in case of Dangerous Goods

Shipments by Road transport (based on DAP place of destination):

A specified percentage of the sales value

Remark: Destinations that cannot be reached by truck consignment(s) will be air freighted and relevant charges applied. See for Air freight above.

Shipment by Sea freight (based on CIF port of destination):

A specified percentage of the sales value

A specified minimum freight charge will be applied per order

In case of DAP Incoterms the Parties will agree on specified warehouses to which the goods will be delivered. Other destinations are subject to a surcharge to be agreed upon in the respective Sales Agreement.

BOSCH reserves the right to modify all rates to reflect fluctuation of global fuel prices at any time without prior notification which modification is hereby already for then and unconditionally accepted by The CUSTOMER. All charges always apply per order.

If The CUSTOMER chooses for FCA shipping, proof of delivery must be delivered to BOSCH as an obligation. Proof of delivery is to be understood as a clearly identifiable customs document, such as copies of customs documents at destination or original copy of CMR (signed by The CUSTOMER, forwarder and BOSCH). BOSCH reserves the right to debit The CUSTOMER by an additional fee of the sales value if custom documents are not cleared and returned within 60 calendar days after export customs clearance. This additional fee is specified in the Annex "Annual Price Agreement."

4. Documents

All technical information in relation to products and their maintenance remains BOSCH property and, except where intended to serve as instructions for use or advertising matter, may not be utilized or copied, reproduced, transmitted or communicated to third parties without BOSCH prior written consent.

In case The CUSTOMER needs one or more of the documents or certificates mentioned in the (non-exhaustive) list here below, BOSCH charges costs as document fees (per order) including handling costs, which are mentioned in the Annex "Annual Price Agreement":

- Certificate of Origin at the Chamber of Commerce
- Legalized Documents by Chamber of Commerce
- Legalized Documents by Consulate or Embassy
- ICI/CI inspection and certificate
- Separate packing list
- SASO or KUCAS certificate
- Insurance certificate

5. Trade terms

The latest edition of the Incoterms issued by the International Chamber of Commerce shall apply. (Incoterms®2020). Generally, DAP is mandatory for domestic shipments within the EU and EEA while FCA is used for export to non-EU countries.

6. Tests

The Products are inspected and, where feasible or when legislated, submitted to a standard factory test before dispatch. If (extraordinary) testing in the presence of The CUSTOMER or its representative is required, these must be specified by The CUSTOMER at order entry and shall, if agreed by BOSCH, be made before dispatch; all costs connected with such extraordinary tests will be charged to The CUSTOMER. In the event of any delay on the part of The CUSTOMER in attending such tests after fourteen (14) days' notice that the products are ready to be tested, the tests will proceed in The CUSTOMER's absence and shall be deemed to have been made in his presence.

7. Delivery

7.1 The Products shall be delivered to The CUSTOMER as set out in the relevant Order Confirmation, which shall specify the specific INCO-term applicable to the order, whether the

Products are to be delivered by BOSCH to The CUSTOMER(DAP place Customer or collected by The CUSTOMER from BOSCH (FCA BOSCH location)).

In case of Incoterm FCA, The CUSTOMER shall collect the Products from BOSCH's premises or such other location as may be advised by BOSCH prior to delivery (the "Collection Location") within 3 Business Days of BOSCH notifying The CUSTOMER that the Products are ready. If The CUSTOMER fails to take delivery of the Products, then BOSCH has the right to store the Products at Customer's risk and cost until delivery takes place. The maximum period for storage is 30 calendar days after which the order may be cancelled at the judgement of BOSCH.

It is within The CUSTOMER's financial obligation (payment of the order) and responsibility to enable BOSCH to deliver the Products within 30 calendar days after the initial Order Confirmation. If this requirement has not been fulfilled the reservation of the products shall be cancelled which implies a new order and delivery date will only be confirmed when before mentioned payment criteria are met.

- 7.2 Unless otherwise agreed, SOFTWARE is delivered or made available for downloading in the version named in the DOCUMENTATION. The CUSTOMER is responsible for installation of the SOFTWARE. If the SOFTWARE is provided for use on a data medium or is pre-installed on TARGET HARDWARE, this might possibly not contain the version named in the DOCUMENTATION. The delivery obligation of BOSCH shall be met by providing the actualization. The CUSTOMER is obliged to perform the actualization.

- 7.3 If delivery by BOSCH is delayed, the CUSTOMER shall, on request by BOSCH, declare within a reasonable period of time, whether the CUSTOMER insists on delivery or whether it claims its other statutory rights pursuant to the following rules:

In the event of delayed delivery, the CUSTOMER may only revoke the contract in accordance with the statutory provisions insofar as BOSCH is accountable for the delay.

Sec. 11 shall apply for claims for damages by the CUSTOMER in the event of delayed delivery.

Part deliveries and corresponding invoices are admissible unless the CUSTOMER cannot be reasonably expected to accept them.

The CUSTOMER may not refuse to accept deliveries on account of insignificant defects.

8. Commercial returns

BOSCH is not obliged to accept any returns of products other than a product that is defective, subject to a recall or was not ordered in a Purchase Order by Customer. If a commercial return of a product is agreed upon by BOSCH in writing by means of a Return merchandise authorisation (RMA), the product shall be forwarded in accordance with BOSCH's instructions; all products returned must be consigned insurance and carriage prepaid by customer and packed in their original unopened packing.

Authorization for each commercial return request is valid for 3 calendar weeks (i.e. 21 days after receiving the authorization number). The products must have been shipped as defined in the return form. After this period the authorization for return automatically expires and returned products will be handled as unauthorized returns.

On Customer request, BOSCH can also arrange the backward transportation for a return handling fee. All transportation costs including possible taxes and duties will be charged to The CUSTOMER.

Products refusals by the consignee do not constitute a commercial return authorization. Refused products will be handled as unauthorized return. Unauthorized returns shall be subject to payment by The CUSTOMER. Transportation, taxes, duties and all other expenses incurred by BOSCH will be charged to The CUSTOMER.

9. Terms of Payment

The purchase price is payable at the moment of conclusion of contract, e.g. a single order confirmation, and shall be transferred to the bank account of BOSCH before shipping/transportation unless otherwise agreed between BOSCH and the CUSTOMER, e.g. in a Sales Agreement or the Annex "Annual Price Agreement" to a Sales Agreement. In this case, BOSCH may ask for a Bank Guarantee or an Irrevocable Letter of Credit.

A credit facility consists of an extended payment term in combination with a credit limit, which is based on The CUSTOMER's proven credibility. BOSCH may cancel afore said credit facility upon written notice to The CUSTOMER.

In the case that The CUSTOMER is not sufficient solvent for the value of the Sales Agreement or single order confirmation, but an extended payment duration is desired, this can be provided against a payment security by a Bank Payment Guarantee or Irrevocable Letter of Credit (see hereunder).

- If an invoice is not paid within the in Annex "Annual Price Agreement" agreed payment term, The CUSTOMER is, without BOSCH obligation of any warning or notice, in default of the agreement. Pending or new orders will be suspended for delivery until the CUSTOMER has settled the full value that is due.
- In case of default, The CUSTOMER has to pay interest at a rate equal to 0.1% per day. The right to claim further damage is reserved.
- If The CUSTOMER fails to fulfil or its expected by BOSCH that the payment will not be fulfilled, which is due under the Sales Agreement with BOSCH or - beforehand or after order confirmation - doubt exists that the payment ability of The CUSTOMER is insufficient, BOSCH is entitled to suspend its obligations under the Sales Agreement until The CUSTOMER has provided a sufficient payment security for the performance of the Sales Agreement.
- BOSCH has the right to credit payments against the oldest outstanding account receivable.
- If the CUSTOMER is in default of payment, BOSCH has the right to demand immediate payment of all accounts receivable under the business relationship which are due and certain. Further, BOSCH then also has the right to perform outstanding deliveries only in return for advance payment or provision of security. This right is not excluded by deferral of payment.
- The CUSTOMER only has the right to offset counterclaims and withhold payments insofar as counterclaims are undisputed, legally binding or, after becoming lis pendens, are ready for a decision.

Bank Payment Guarantee

The fulfilment of The Company's obligation relating to the Purchase Volume as specified in Annex "Annual Price Agreement" shall be secured by a Bank Payment Guarantee by a first-class bank to be delivered by The Company to Bosch not later than 10 days after the day of signing of the Sales Agreement (and/or specific Sales Order). The validity of the Bank Payment Guarantee must be extended for the full term of the Sales Agreement (and/or specific Sales Order), plus 3 months.

Irrevocable Letter of Credit

For the fulfilment of The Company's obligation relating to a specific Sales Order(s) or Project Agreement, The Company shall provide within twenty one (21) days of confirmation of said specific Sales Order(s) or Project Agreement, a non-transferable and Irrevocable Letter of Credit in favour of Bosch, furnished by a first-class bank on which the prevailing Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce in Paris apply. The Company shall, unless otherwise agreed upon, pay to Bosch all amounts due hereunder in the currency as agreed upon. The Letter of Credit shall be payable in cash, and bearing the conformation of a bank, acceptable to Bosch. If the delivery date falls within before mentioned twenty one (21) day period, the Letter of Credit shall have a minimum validity equal to the delivery period and shall be prolonged upon Bosch request. In case partial deliveries have been agreed upon the letter of credit shall provide for pro rata payments there under.

10. Defects

- 10.1 Claims on account of defects are limited to a period of 12 months from delivery date of the Product (date of transfer of risk in accordance with the applicable INCO-term. The foregoing provision shall not apply insofar as longer time bar periods are prescribed by mandatory legislation applicable.
- 10.2 Only the description of the PRODUCT provided by BOSCH prior to conclusion of the contract or agreed in a separate document (e.g. in the DOCUMENTATION or catalogue) is decisive for the quality of the PRODUCT. This shall especially encompass its IT-security features. The details contained therein shall solely be understood as performance specifications and not as guarantees. A guarantee is only given if it has been explicitly designated as such by BOSCH in writing prior to conclusion of the contract. No further quality is owed, and, in particular, nor does it ensue from public statements or advertising by distribution partners of BOSCH. BOSCH is not obliged to provide any services which go beyond the liability for defects.
- 10.3 The following do not constitute defects as to quality:
- i. Natural wear and tear;
 - ii. Qualities of the PRODUCT or damage caused to or by the PRODUCT after the passing of risk as a result of improper handling, storage or installation, or non-compliance with installation and handling regulations, or excessive strain or use, or unsuitable operating resources, commissioning or maintenance;
 - iii. Qualities of the PRODUCT or damage caused to or by the PRODUCT by force majeure, particular external influences not foreseen under the contract, or due to the use of the PRODUCT outside the use foreseen under the contract or customary use, and, in the case of SOFTWARE, by virus contamination;
 - iv. Changes to the PRODUCT by the CUSTOMER or other third parties, unless the defect is not in causal connection with the change;
 - v. Faults in the SOFTWARE caused by application errors by the CUSTOMER and which could have been avoided had the DOCUMENTATION been consulted carefully;
 - vi. Errors which are based on the SOFTWARE being used in an operating environment other than approved by BOSCH or due to faults in the TARGET HARDWARE, the operating system or the software of other manufacturers.
- 10.4 If a defect as to quality occurs during the limitation period, BOSCH can cure the defect at its own discretion by remedying the defect or supplying a defect-free PRODUCT. The Service Policies of BOSCH, available at www.BoschSecurity.com/de or its Service Department shall apply to all products under the following brands: BOSCH, Dynacord, Electro-Voice, RTS and Telex (herein referred to as "Product").
A defect in SOFTWARE can be remedied at the discretion of BOSCH by means of update/patch/bug-fix/upgrade or by indicating a workaround; the latter only insofar as this is reasonably acceptable for the CUSTOMER, taking account of the effects of the defect and the circumstances of the work-around solution indicated. Sec. 7.2 shall apply mutatis mutandis.
- If BOSCH provides a voluntary product warranty to End Users the warranty period and related terms and conditions are described in a product warranty statement available at www.BOSCHSecurity.com under the service pages.
- 10.5 Any complaints of erroneous dispatch and/or apparent damage shall be made in writing within undue delay, but in any case not later than 7 working days after receipt of the Products by The CUSTOMER. Other defects shall be notified by the CUSTOMER in writing without undue delay after discovery thereof. The authoritative date is always the date of receipt of the complaint notice by BOSCH. The complaint notice shall contain a description of the defect and/or, in the case of SOFTWARE, the time when the defect occurred and the detailed circumstances. Claims on account of defects are excluded if the defect is not notified in good time.

11. Liability

BOSCH is liable to pay damages and compensation of abortive expenses (hereinafter referred to as damages) on account of a violation of contractual and non-contractual obligations only in case of

- (i) Intent or gross negligence of BOSCH;
- (ii) In case of deliberate fatal injury, physical injury or injury;
- (iii) on account of provision of a guarantee of quality or durability;
- (iv) in the event of a culpable violation of material contractual obligations; such contractual obligations shall be deemed material which, when performed, enable the proper execution of the contract altogether and which the CUSTOMER may regularly rely on compliance with;
- (v) on account of mandatory liability pursuant to the applicable law; or
- (vi) on account of other mandatory liability.
- (iii) On account of compulsory statutory liability pursuant to the applicable product liability regulations,.

The damages for a breach of material contractual obligations are, however, limited to foreseeable damage, typical for the type of contract, except in the event of intent or gross negligence or on account of fatal injury, physical injury or injury to health or on account of assuming a quality warranty. The amount of damages typical of the contract and foreseeable, based on violations of obligations by BOSCH, corresponds to the amount of the remuneration paid by the CUSTOMER under the affected order, but not, however, exceeding RMB 400,000.

Liability for damages exceeding that provided for in this clause 11 is excluded irrespective of the legal nature of the claim raised. This applies in particular to claims for damages arising from culpa in contrahendo (fault arising in conclusion of a contract), on account of other breaches of duty and to tort claims for compensation of property damage.

Insofar as liability for damages is excluded with respect to BOSCH, this also applies to the personal liability for damages of BOSCH's 'employees, representatives and of persons engaged by BOSCH in performance of obligations.

No change to the burden of proof to the detriment of The CUSTOMER is connected with the aforementioned rulings.

Notwithstanding anything agreed under this section, the maximum liability for BOSCH under the Sales Agreement is limited to the value of the order.

In case of SOFTWARE, BOSCH shall not be liable in particular for DAMAGES incurred by the CUSTOMER due to incorrect operation or to usage not in compliance with the designated purpose.

12. Confidentiality

The CUSTOMER agrees to keep at all times strictly confidential any and all information concerning the technical, commercial and financial data in respect of the products, including, without limitation, Software if applicable, and confidential data of BOSCH business and the contract (collectively "Confidential Information"), which may come to the knowledge of The CUSTOMER, and will return to BOSCH immediately upon first request all tangible Confidential Information. The CUSTOMER agrees (i) to use Confidential Information solely to the extent required to implement the Agreement, and (ii) to undertake all steps necessary to prevent any unauthorized use or disclosure of Confidential Information to any person and/or third party to whom such disclosure is not required to implement the Agreement.

13. Export Control

Deliveries and services (contractual performance) shall be subject to the provision that there are no obstacles to performance due to national or international export control regulations, in particular embargos or other sanctions. The CUSTOMER undertakes to provide all information and documentation which is required for export and shipment. Delays due to export examinations or approval procedures render deadlines and delivery dates inapplicable. If necessary, approvals are not granted or if the delivery and service are not capable of being approved, the contract shall be considered not concluded with respect to the parts affected.

BOSCH has the right to terminate the Agreement without notice if such termination is necessary for BOSCH in order to comply with national or international legal provisions. In such event of termination, The CUSTOMER is excluded from raising a claim for any damage or other rights on account of the termination.

When passing on the Products delivered by BOSCH (hardware and/or software and/or technology and the respective documents, irrespective of the manner in which they are made available) and work and services performed by BOSCH (including technical support of all kinds) to third parties, The

CUSTOMER must comply with the respectively applicable provisions of national and international (re-) export control law.

14. Termination right

- 14.1 In the event of the CUSTOMER'S acting in breach of the contract, in particular in case of default of payment, Bosch has the right, notwithstanding other contractual and statutory rights, to terminate the contract after having sent a Notice of Default with a reasonable period given to Customer to remedy the default.
- 14.2 BOSCH has the right to terminate the contract without granting a period to remedy the default, if the CUSTOMER suspends its payments or if the CUSTOMER, or any third party, files for insolvency proceedings or similar proceedings to be instituted with respect to its assets for debt settlement. Bosch is also entitled to terminate the contract without granting a period to remedy the default, if;
- (i) The Company's asset position should deteriorate materially or threaten to deteriorate and, as a result, the performance of a payment obligation to Bosch is jeopardized, or
 - (ii) If the Company is insolvent or over indebted
- 14.3 After declaration of such termination, the CUSTOMER shall immediately grant BOSCH'S representatives, access to the Products to which BOSCH has retained title and surrender them. After respective notification in good time BOSCH may also otherwise sell the Products to which BOSCH has retained title in order to satisfy due claims against The Company. Statutory rights and claims shall not be restricted by the provisions contained in this clause 14.
- 14.4 The CUSTOMER shall erase all data media, copies of the SOFTWARE, including the back-up copies pursuant to sec. 23.2, and the DOCUMENTATION provided for use, or destroy these and confirm this in writing to BOSCH on request.

15. Force Majeure

In the event of Force Majeure (as defined hereinafter) the party being delayed or damaged thereby shall inform the other party as soon as possible but in any event within seven (7) days after the start of such Force Majeure specifying the nature of the Force Majeure as well as the estimated duration thereof.

If non-compliance with the delivery periods is due to Force majeure or to other disruptions for which BOSCH is not accountable the agreed delivery periods shall be extended.

In the event the Force Majeure situation continues for more than sixty (60) days or is expected to last longer than sixty (60) days then the affected party is entitled to terminate this Agreement by simple notice in writing and without the other party being entitled to any claim for damages. Otherwise the parties' rights and obligations will be suspended until renewed by The Parties in writing.

Force Majeure shall be understood to mean and include damage or delay caused by acts of God meaning natural phenomena, such as earthquakes and floods, fires, acts or regulations or decrees of any Government (de facto or de jure) including those affecting sub-suppliers, terrorist attacks and acts, riots, wars, epidemics, pandemics, shipwrecks, import and export restrictions, lockouts, limitations in energy supply or other causes, whether similar or dissimilar to those enumerated above, unforeseeable and beyond the reasonable control of The Parties and which prevent the total or partial carrying out of any obligation under this Agreement or purchase order. This also applies to industrial action affecting BOSCH or its sub-suppliers. This includes also difficulties to procure raw material as well as inadequate or delayed deliveries by suppliers due to force majeure.

The Corona epidemic currently is ongoing and its duration and impact are unpredictable for the Parties. Neither the duration nor the further effects of the measures taken by the affected states against this epidemic are predictable for the Parties. Against this background, the Parties specifically define the Corona epidemic as a case of Force Majeure.

16. Retention of title

- 16.1 BOSCH retains title to the Products delivered pending full performance of all claims to which BOSCH is entitled on the basis of the business relationship now and in future.
- 16.2 Insofar as maintenance and inspection work is required to the Products to which BOSCH has retained title, The CUSTOMER must conduct such work punctually at its own expense.
- 16.3 The CUSTOMER is entitled to process the products or connect them with other products within the due course of The CUSTOMER's business. By way of security for claims of BOSCH set forth in clause 16.1 above BOSCH shall acquire joint ownership in the products created as a result of such processing or connection. The CUSTOMER hereby transfers such joint ownership to BOSCH now already. As an ancillary contractual obligation The CUSTOMER shall store free of charge the Products to which BOSCH has retained title. The amount of our joint ownership share shall be determined by the ratio between the value of the product (calculated in accordance with the final invoice amount including VAT) and the value of the product created by processing or connection at the time of such processing or connection.
- 16.4 The CUSTOMER shall be entitled to sell the Products in the normal course of business against cash payment or subject to retention of title. The CUSTOMER assigns to BOSCH now already all claims in full together with all ancillary rights to which The CUSTOMER is entitled from the further sale of the Product, irrespective of whether the Product has been further processed or not. The assigned claims act as security for claims set forth in clause 16.1 above. The CUSTOMER is entitled to collect the claims assigned. BOSCH may revoke the rights of The CUSTOMER as set forth in this clause 16.4 if The CUSTOMER fails to duly comply perform its payment obligations with respect to BOSCH, in is in default of payment, suspends its payments or if The CUSTOMER files for insolvency proceedings or similar proceedings to be instituted with respect to its assets for debt settlement. BOSCH may also revoke these rights of The CUSTOMER pursuant to this clause 16.4 if the CUSTOMER's asset position should deteriorate materially or threaten to deteriorate or if the CUSTOMER is insolvent or over indebted.
- 16.5 At request the CUSTOMER shall advise BOSCH immediately in writing of the parties to whom the Products to which BOSCH has retained title or joint title have been sold and of the claims to which The CUSTOMER is entitled on the basis of such sale and shall issue to us deeds officially authenticated at the CUSTOMER's expense relating to the assignment of the claims.
- 16.6 The CUSTOMER is not entitled to effect any other disposals of the Products to which BOSCH has retained title or joint title or of the claims assigned to BOSCH. The CUSTOMER must notify BOSCH immediately of any attachments of or other impairments to the rights of products or claims belonging to BOSCH either in whole or in part. The CUSTOMER shall bear the entire costs which have to be expended in order to cancel the attachment of BOSCH Security System retained property or security by third parties and to recreate the Product insofar as it is impossible to retrieve it from the third parties.

17. Intellectual property

- 17.1 BOSCH shall not be liable for claims arising from an (alleged) infringement of third party intellectual or industrial property rights or copyright (hereinafter: "IPR") if the IPR is or was owned by The CUSTOMER, by an enterprise in which The CUSTOMER holds, directly or indirectly, a majority of the shares or voting rights or by an enterprise that holds, directly or indirectly, a majority of the shares or voting rights in The CUSTOMER.
- 17.2 BOSCH shall not be liable for claims arising from an (alleged) infringement of third party IPR unless at least one IPR from the property right family has been published either by the European Patent Office or in one of the following countries: Federal Republic of Germany, France, Great Britain, Austria or the USA.
- 17.3 The CUSTOMER must notify BOSCH immediately of (alleged) infringements of IPR and of risks of infringement in this respect which become known and, at request of BOSCH – insofar as possible – allow BOSCH to conduct the litigation (including non-judicial proceedings).

- 17.4 BOSCH is entitled, at own discretion, to obtain a right of use for a product infringing an IPR, to modify it so that it no longer infringes the IPR or to replace it by an equivalent substitute product which no longer infringes the IPR. If this is not possible subject to reasonable conditions or within a reasonable period of time, The CUSTOMER shall – insofar as The CUSTOMER allowed BOSCH to carry out a modification – be entitled to the statutory rights of rescission. Subject to the aforementioned preconditions BOSCH too shall have a right of rescission. Claims to recourse against BOSCH by The CUSTOMER shall only exist insofar as The CUSTOMER has not reached any agreements with its customer which are more far-reaching than statutory claims on account of defects, for instance accommodation agreements. BOSCH reserve the right to carry out the action at own disposal under the terms of sentence one of this clause 18.4 even if the infringement of the IPR has not been ruled on by a court of law with res judicata effect or recognized by BOSCH.
- 17.5 Claims by The CUSTOMER are excluded insofar as The CUSTOMER is responsible for the infringement of the IPR or if The CUSTOMER has not supported BOSCH to a reasonable extent in the defence against claims by third parties.
- 17.6 Claims by The CUSTOMER are also excluded if the Products were manufactured in accordance with the specifications or instructions of The CUSTOMER or if the (alleged) infringement of the IPR ensues from the use in conjunction with another product not stemming from BOSCH or if the Products are used in a manner which BOSCH were unable to foresee.
- 17.7 Claims on infringements of IPR are time bar to a period of 12 months from date of service.
- 17.8 The obligation to pay damages in case of infringements of IPR is governed by clause 11 in all other respects.
- 17.9 Sec. 11 shall apply accordingly to the statute of limitation of claims based on an infringement of Intellectual PROPERTY RIGHTS.

18. Reverse Engineering

- 18.1. Without prior consent of BOSCH, the CUSTOMER may not undertake any observation, examination, back engineering or testing (so-called reverse engineering) of a PRODUCT provided for use by BOSCH.
- 18.2. Additionally to sec. 18.1., with respect to SOFTWARE, the CUSTOMER is not entitled, subject to sec. 22.1, to process, change, reverse engineer, decompile or disassemble the program code thereof or parts therefrom or to otherwise establish the source code or to produce works derived from the SOFTWARE.

19. Data use and data protection

- 19.1. BOSCH shall have the right, insofar as is permitted by law, to store, use, transfer and/or exploit all the information contributed and created by the CUSTOMER in connection with the SOFTWARE, except for personal data, beyond the purpose of the contract for any purposes such as, for example, statistical, analytical and internal purposes. This right shall be unlimited and irrevocable.
- 19.2. Insofar as personal data is processed, BOSCH complies with the statutory data protection regulations.

20. Miscellaneous provisions

- 20.1. If a provision should be or become ineffective, the effectiveness of the remainder of the provisions shall remain unaffected hereby. In this case, the ineffective provision shall be replaced by an admissible ruling approximating most closely the economic purpose of the original, ineffective provision. This shall apply accordingly to any gaps of the T&Cs.

- 20.2. This Agreement as well as any agreements under this Agreement shall be governed by the laws of P.R.China, excluding its conflict rules and United Nations Convention on Contracts for the International Sale of Goods (CISG).
All disputes arising under or in connection with this Agreement or those that may evolve from the question of its validity shall be finally settled in accordance with the rules of arbitration of the China International Economic and Trade Arbitration Commission (CIETAC) in Shanghai. The arbitral award is final and binding upon both parties.
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Additional conditions for SOFTWARE

21. Definitions

- 21.1. DOCUMENTATION: All the information necessary to be able to work with the SOFTWARE in accordance with the designated purpose.
- 21.2. FOSS: Free and Open Source SOFTWARE and third-party software under a royalty-free license.
- 21.3. CONFIDENTIAL INFORMATION: Information in accordance with Chinese unfair competition law.
- 21.4. LICENSE TYPE: Determines the scope of the SOFTWARE use and the number of users. BOSCH distinguishes between the following LICENSE TYPES:
i. Single/work station license: the SOFTWARE may be used on one single TARGET HARDWARE de-vice.
ii. Volume/multiple/multi license: a specific number of individual licenses.
iii. Network/server/copy or floating license: the SOFTWARE may be installed on a network server and/or on any number of TARGET HARDWARE devices incorporated into the local network. In this case the SOFTWARE may only be used simultaneously on a certain number of TARGET HARDWARE devices and/or workstations.
iv. Corporate license: the SOFTWARE may be used at the agreed establishments of the CUSTOMER's undertaking.
- 21.5. SHORTFALL IN LICENSE COVER: Use of the SOFT-WARE beyond the agreed right of use.
- 21.6. PRODUCT: GOODS and/or SOFTWARE.
- 21.7. DAMAGES: Damages and reimbursement of futile expenditure as defined in sec. 284 German Civil Code (BGB).
- 21.8. PROPERTY RIGHT: Industrial PROPERTY RIGHT or third-party copyright.
- 21.9. SOFTWARE: Either stand-alone software contained in the scope of delivery from BOSCH or software flashed onto GOODS or TARGET HARDWARE.
- 21.10. GOODS: Material items for delivery contained in the scope of delivery of BOSCH.
- 21.11. TARGET HARDWARE: GOODS or a customer device on which the SOFTWARE is installed

22. Subject matter of the license/SOFTWARE

- 22.1. The description of the SOFTWARE is set out in the DOCUMENTATION which the CUSTOMER will be provided with on request before entering into the contract.
- 22.2. The SOFTWARE comprises, as far as feasible, the executable program code and the corresponding DOCUMENTATION in electronic form, and installation instructions unless the SOFTWARE self-installs. Subject to sec. 22.1, the source code does not form part of the subject matter of the contract.
- 22.3. Unless otherwise agreed, SOFTWARE is delivered or made available for downloading in the version named in the DOCUMENTATION. The CUSTOMER is responsible for installation of the SOFTWARE. If the SOFTWARE is provided for use on a data medium or is pre-installed on TARGET HARDWARE, this might possibly not contain the version named in the

DOCUMENTATION. The delivery obligation of BOSCH shall be met by providing the actualization. The CUSTOMER is obliged to perform the actualization.

- 22.4 Delivered products may not contain latest version of firmware. For best possible functionality, compatibility, performance and security, customer undertakes to check for and update delivered products to latest firmware version before putting them into operation. In order to do so, please follow the instructions set forth in the user manual. BOSCH assumes no liability whatsoever for any damage caused by the fact that delivered products have been put into operation with outdated firmware

23. FOSS

- 23.1. The SOFTWARE may contain FOSS. The CUSTOMER will be provided with an up-to-date list of the FOSS contained and the corresponding applicable FOSS license terms when the SOFTWARE is delivered. If the SOFTWARE contains a FOSS component, CUSTOMER's dealing with such FOSS component shall be primarily governed by the corresponding FOSS license, with priority over any conflicting license terms of the offered product or associated software, with which CUSTOMER obliges to comply. Some FOSS may require fulfillment beyond the pure information provided. In such case CUSTOMER's customer and/or CUSTOMER as the case may be are entitled to request this additional open source fulfillment from CUSTOMER. Upon request BOSCH will provide this additional open source fulfillment to CUSTOMER according to 23.4.

The rights under the FOSS licenses are being granted to the CUSTOMER, and in the event of you passing on a copy of the product to another party, the terms and conditions of the respective FOSS-Licenses apply to the distribution of any included FOSS (in some cases, the FOSS license provides a direct license from the author/licensor of the FOSS to the third party). For many FOSS licenses, BOSCH itself can neither grant nor obtain these rights for the CUSTOMER. The applicable FOSS licenses are available on the internet address of the provider of the FOSS or will be made available by BOSCH upon CUSTOMER'S request.

- 23.2. BOSCH reserves the right to, over the course of actualizations (including updates, up-grades, respectively patches or bugfixes) or a new version, introduce new or updated FOSS into the SOFTWARE. The corresponding FOSS license(s) will be provided with the delivery of the actualization. Furthermore, sec. 22.1. shall apply accordingly.
- 23.3. FOSS included in the SOFTWARE has no impact on the sales price of the SOFTWARE and thus will be provided without license fee or any other monetary compensation.
- 23.4. Beyond the fulfillment of its own license obligations stemming from included FOSS, BOSCH does not render any support services that serve the fulfillment of the CUSTOMER's license obligations stemming from included FOSS.
- 23.5. If software products are also made available from third-party providers and these are not to be regarded as FOSS, BOSCH reserves the right to transfer them subject to the corresponding exclusive terms and conditions of the third-party provider. These software products may solely be used in connection with the PRODUCT.

24. Rights of use

- 24.1. Upon delivery of the SOFTWARE, the CUSTOMER shall be given the non-exclusive right, unlimited in time, to use the SOFTWARE in accordance with the respective LICENSE TYPE and in compliance with the specifications of the DOCUMENTATION pursuant to these T&C. The use is only permitted in the agreed countries of destination. In the absence of an explicit agreement, this is the country in which the CUSTOMER has its administrative seat.

- 24.2. The CUSTOMER may prepare and use back-up copies of the SOFTWARE to the extent of necessary. Back-up copies must be marked as such and be marked with the copyright notice of the original SOFTWARE as far as is possible. The CUSTOMER is also bound to these T&C with respect to its use of the back-up copy.
- 24.3. The CUSTOMER may only engage third parties to conduct the measures in compliance with sec. 23.2 which are not competitors of BOSCH, unless the CUSTOMER demonstrates that the risk of divulging important CONFIDENTIAL INFORMATION of BOSCH is excluded.
- 24.4. If BOSCH provides the CUSTOMER with updates (including upgrades, updates and/or patches or bugfixes) and/or a new version of SOFTWARE, these are also subject to the terms of these T&C, except to the extent that they are part of a separate agreement. Once the new SOFTWARE version has been installed, the CUSTOMER's rights to the previous version shall end after a transition phase of one month. Sec. 14.4 shall apply in the event of the SOFTWARE being returned.
- 24.5. The CUSTOMER may not grant sub-licenses. The CUSTOMER may, however, transfer the granted right of use to third parties, whilst discontinuing its own use, upon fulfillment of the following conditions:
- i. If the SOFTWARE was acquired together with a TARGET HARDWARE device, the SOFTWARE may only be passed on to third parties for use in connection with this TARGET HARDWARE. This applies to floating licenses (sec. 27.4iii), subject to the condition that they may only be transferred to third parties by the CUSTOMER if they are transferred in total and, if applicable, together with each TARGET HARDWARE device which the SOFTWARE may be used on.
 - ii. The CUSTOMER shall ensure that the third party is not granted any further rights of use to the SOFTWARE than those to which the CUSTOMER is entitled under these T&C and that at least those obligations arising from these T&C with respect to the SOFTWARE are imposed on the third party. In the event of a right of use being transferred to a third party, the CUSTOMER is obliged to surrender to the third party all the copies supplied to or created by the CUSTOMER or to erase them. If the CUSTOMER transfers its right to use the SOFTWARE, the CUSTOMER shall also hand over the DOCUMENTATION to the third party.
- 24.6. All further rights to the SOFTWARE that are not explicitly granted, also including, in particular, all rights to the trade mark and to other intellectual property in the SOFTWARE shall remain with BOSCH. Designations of the SOFTWARE, in particular copyright notices, trademarks, serial numbers and the like may not be removed, changed or obliterated.

25. Obligations of the CUSTOMER to collaborate and provide information

- 25.1. The CUSTOMER is responsible for its hardware and software environment being compliant with the system requirements of the SOFTWARE; in case of doubt, the CUSTOMER shall obtain advice from BOSCH and/or from specialist third parties before entering into the contract.
- 25.2. It is partially possible to use the SOFTWARE to influence or control an electronic system. Therefore, taking account of the risk analysis, the SOFTWARE may be operated (and if necessary, to be installed) solely by qualified specialist personnel.
- 25.3. The CUSTOMER shall inform BOSCH of possible errors in the SOFTWARE without undue delay. In this context, the CUSTOMER shall provide all the necessary information at the request of BOSCH. The CUSTOMER shall permit BOSCH to access the SOFTWARE in order to troubleshoot and rectify the errors; at the election of BOSCH this shall be either on premise and/or by remote access.
- 25.4. The CUSTOMER shall secure the SOFTWARE against being accessed by unauthorized third parties by taking suitable measures, in particular storing all the back-up copies of the SOFTWARE and the DOCUMENTATION in a safe place.

- 25.5. BOSCH has the right to examine whether the SOFTWARE is being used in compliance with the LICENSE TYPE. To this end, BOSCH may require information from the CUSTOMER and inspect the books and documents, including the CUSTOMER's hardware and software environment, insofar as, as a result, details can be obtained on the extent of usage of the SOFTWARE. To this end BOSCH shall be granted access to the CUSTOMER's business premises during normal working hours after having given advance notification of at least two weeks. The CUSTOMER shall ensure, to an extent that can be reasonably expected, that the audit can be conducted by BOSCH and shall collaborate in the audit. BOSCH shall use all the information it acquires during the audit only for vetting compliance with the LICENSE TYPE. The CUSTOMER may demand that the audit be conducted on site by an agent of BOSCH committed to professional secrecy. The costs of the audit shall be borne by BOSCH unless the audit reveals that there is a SHORTFALL IN LICENSE COVER. In this case the CUSTOMER shall bear the costs of the audit.
- 25.6. In the event of a SHORTFALL IN LICENSE COVER, the CUSTOMER shall pay the unpaid remuneration on the basis of the valid general price list for comparable services at the time when the short-fall is discovered plus liquidated damages in an amount equal to 10 % of the value of the SHORT-FALL IN LICENSE COVER. The CUSTOMER may evidence that the damage was lower. In addition, the CUSTOMER shall discontinue every SHORT-FALL IN LICENSE COVER without undue delay.
- 25.7. The CUSTOMER shall take reasonable precautions in case the SOFTWARE fails to work properly either in whole or in part (e.g. by means of daily data back-up, malfunction diagnosis, regularly examining the data processing results). Unless the CUSTOMER explicitly indicates otherwise in advance, BOSCH may assume that there has been a back-up of all data of the CUSTOMER which BOSCH can come into contact with.

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