

## **General Terms and Conditions of Purchase (GTCP)**

Status July 2024

### **1. Scope**

These General Terms and Conditions of Purchase (hereinafter referred to as "GTCP") of Uhlmann Pac-Systeme GmbH & Co. KG, Uhlmannstr. 14-18, 88471 Laupheim (hereinafter referred to as "UHLMANN") shall apply exclusively and solely to suppliers within the meaning of § 14 BGB (German Civil Code) and to legal entities under public law and special funds under public law. The GTCP of UHLMANN shall apply exclusively; deviating, conflicting or supplementary General Terms and Conditions of Business of the supplier shall only become part of the contract if and insofar as UHLMANN expressly agrees to the validity of such in writing. This requirement for consent shall also apply if UHLMANN accepts deliveries and services of the supplier or pays for them in the knowledge of terms and conditions of the supplier which are contrary to, or in deviation from, these GTCP. The GTCP shall also apply in their respective current version to all future deliveries and services of the supplier.

### **2. Conclusion of contract**

All orders, agreements and delivery schedules of UHLMANN as well as amendments or supplements to orders shall require in principle at least text form. Changes or additions to a text shall only be effective subject to UHLMANN's written approval in each case. This shall also apply to any change to the text form requirement itself. Text form shall also cover communications by e-mail and/or by means of an electronic ordering system. An order shall be deemed accepted unless the supplier objects within 5 working days from receipt of the order. UHLMANN shall be entitled to revoke orders free of charge should the supplier not confirm the order to UHLMANN unchanged within 2 weeks of receipt.

### **3. Prices / Costs for offers**

Prices quoted are binding fixed prices and DAP delivery address (INCOTERMS 2010) including packaging, but excluding VAT. Requests for quotations from the supplier shall be non-binding for UHLMANN. The preparation of offers on the part of the supplier shall be provided free of charge, in particular without charging for visits or the preparation of written or oral offers.

### **4. Payment, rights of set-off and retention**

Unless otherwise agreed, payments shall be made within 60 days net without deductions. If payment is made by bank transfer, the date of payment shall be the date on which the bank receives the transfer order from UHLMANN.

For each delivery or service the supplier shall submit an invoice separately from the consignment stating the order number used by UHLMANN and the date of the order as well as showing the value

added tax. Payment periods shall commence upon receipt of a complete, proper and verifiable invoice, but not before receipt of the complete delivery or acceptance of the service (if agreed). Payments shall not constitute recognition of the delivery or service as being in accordance with the contract.

In the event of an agreed advance payment, the supplier must, upon request, provide appropriate security in advance in the form of an unlimited, directly enforceable guarantee from a major German bank, waiving the defence of action in advance and payable on first demand.

The supplier may only assign claims arising from the subject matter of the contract to third parties with UHLMANN's prior written consent. Exceptions to this are assignments to a credit institution as security for business loans or for the agreement of an extended reservation of title.

UHLMANN shall be entitled to rights of set-off and retention as well as to the defence of non-performance of the contract to the extent provided by law. UHLMANN shall in particular be entitled to withhold due payments as long as claims from incomplete or defective performances vis-a-vis the supplier still exist. The supplier shall only be entitled to rights of set-off or retention on the basis of counterclaims which have become res judicata or are undisputed.

## **5. Type of service, deliveries, packaging**

Unless otherwise agreed on an individual case basis, delivery as per DAP delivery address (INCOTERMS 2010) shall be agreed. The supplier shall therefore bear the material risk until acceptance of the goods by UHLMANN or by a person commissioned by UHLMANN at the place to which the goods are to be delivered according to the order. Partial services are only permissible with the express written consent of UHLMANN and are to be marked as such in the shipping documents. The supplier undertakes to use environmentally-friendly packaging materials which permit re-use or cost-effective disposal. Insofar as the supplier is obliged under the Packaging Ordinance to take back the packaging used, it shall bear the costs of return transportation and recycling. The packaging must ensure protection against damage, contamination and moisture during transportation and storage, in such manner that use can be made of the same at UHLMANN or a company commissioned by UHLMANN without additional expense being incurred. The packaging must visibly display all important information pertaining to the contents, storage and transportation.

As a rule, goods are to be delivered in commercially available disposable standard packaging. If re-usable packaging is used, the supplier shall make the packaging available on loan with the return shipment being at the expense and risk of the supplier. If, as an exception, UHLMANN agrees to bear the packaging costs, these shall be charged at the verifiable cost price.

## **6. Delivery dates / Compensation / Withdrawal from the contract**

The delivery time stated by UHLMANN in the order shall be binding for the supplier. It shall be deemed to be fulfilled upon receipt of the goods at UHLMANN or at a place of delivery indicated by UHLMANN; in the case of work performances, up on the day of acceptance at the agreed place of acceptance. Should the supplier have reason to expect that it will not be possible for agreed delivery times to be complied with, the supplier undertakes to inform UHLMANN of this immediately in

writing, stating the reasons and the expected duration of the delay. In the event of a delay in delivery, UHLMANN shall be entitled to demand a lump sum for the damage/additional expenditure incurred as a result of the delayed performance amounting to 25% of the contractual sum. The supplier shall be at liberty to provide evidence of no or lesser damages an unconditional acceptance of the delayed delivery or service shall not give rise to a waiver of claims to which UHLMANN is entitled due to the delayed delivery or service. In the event of s delivery prior to an agreed delivery date, UHLMANN shall be entitled to either store or return the delivery at the expense and risk of the supplier and at its own discretion UHLMANN reserves the right to prove and claim higher damages.

Should the supplier not provide the delivery or service within the agreed delivery period, UHLMANN may grant the supplier a grace period of 14 days. In this case, UHLMANN shall be entitled to withdraw from the contract by written declaration following an unsuccessful expiry of the deadline and to claim damages instead of performance. UHLMANN shall be entitled to claim damages in the form of a lump sum. In this case, the liquidated damages shall amount to 35% of the contractual sum, whereby any damages already claimed as per Clause 6, Paragraph 1 shall be offset. The supplier shall be at liberty to prove lesser damages. UHLMANN reserves the right to prove and claim higher damages.

UHLMANN shall be exclusively entitled to the rights to deliveries and services. Insofar as UHLMANN does not carry out the transportation itself, the risk shall pass, irrespective of the mode of dispatch, once the goods are handed over to UHLMANN at its place of business or at the agreed place of delivery.

## **7. Confidentiality / Ownership of documents**

The supplier shall be obliged to treat all non-public business-related information, including all commercial and technical details (including, but not limited to, documents, samples, models, means of production, tools, business intentions, personal information and other know-how as well as information obtained visually by means of inspecting plants/equipment) which become known to it as a result of the business relationship, as commercial secrets. Items received from UHLMANN shall remain the sole, exclusive and unconditional property of UHLMANN and must be returned to UHLMANN without request following termination of the contractual relationship or, at UHLMANN's request, they shall demonstrably destroyed whereby the destruction must be assured in writing.

Insofar as such documents are marked as "confidential" or are recognizable as business or trade secrets due to other circumstances, the supplier shall maintain confidentiality with regard to them even beyond the end of the business relationship and may - unless required to achieve the purpose of the contract - neither record nor use them nor pass them on to third parties without UHLMANN's prior written consent. This shall also apply to work carried out by means of remote data transmission and to items and products manufactured in accordance with these documents. The supplier shall also confer the corresponding obligations on its employees, agents and subcontractors in a legally effective manner. Items received and/or paid for by UHLMANN and confidential information may only be used for deliveries to third parties with UHLMANN's prior written consent.

The supplier shall take appropriate measures in terms of information security and shall maintain them permanently. UHLMANN is entitled to convince itself at any time of the extent and state of these security measures, unless suitable proof is provided by the supplier.

The supplier is obliged to ensure the security of the supply chain and to observe all laws and regulations applicable to it. Upon UHLMANN's request, the supplier shall (i) provide evidence by way of certificates or declarations (e.g. security declarations) for approved economic operators, AEO/C-TPAT certificate or a similar program), (ii) fully support UHLMANN in official audits and (iii) ensure a comparable standard for its business partners. In addition, the supplier must provide the AEO/C-TPAT certificates, security declarations or information in the event of any revocation of such certificates or declarations by e-mail to UHLMANN at <mailto:info@uhlmann.de> .

The supplier shall only be permitted to disclose its business relationship with UHLMANN to third parties following prior, express and written approval by UHLMANN.

## **8. Quality assurance and incoming goods inspection / Obligation to give notice of defects**

The supplier shall be obliged to maintain a quality management system which corresponds to the latest state of the art and technology. The supplier shall carry out inspections on an ongoing basis during production in accordance with its quality management system as well as final inspections of the products, which are to ensure that only faultless goods are delivered. The parties shall inform each other with regard to possibilities for quality improvements. The supplier shall provide its deliveries and services in compliance with all laws and regulations applicable to such. In particular, the supplier shall ensure that its deliveries and services comply with the applicable statutory and official requirements of the exporting country, the importing country and the destination known to it.

For its deliveries and services, the supplier shall comply with the respectively recognized rules of technology, the safety regulations and the agreed technical data. Any changes to the delivery item shall require UHLMANN's prior written consent. If the type and scope of the quality inspections as well as the inspection equipment and methods have not been firmly agreed between UHLMANN and the supplier, UHLMANN shall be prepared, at the supplier's request and within the scope of its knowledge, experience and possibilities, to discuss the inspections with the supplier in order to determine the respective required state of the art of inspection technology. In addition, UHLMANN shall inform the supplier with regard to the relevant safety regulations upon request.

UHLMANN and third parties commissioned by UHLMANN (e.g. customers, consultants and authorities) shall be entitled to inform themselves with regard to the supplier's production and quality assurance measures and to carry out system, process and product audits following prior announcement and arrangement. The supplier shall grant UHLMANN and the third parties appointed by UHLMANN access to the operational facilities and inspection of the documents and records relating to the supply relationship or the product to be supplied. The right of access and inspection shall be limited to the correspondingly required areas and shall be exercised during business hours while safeguarding company secrets and with the least possible disruption to business processes. The supplier undertakes to ensure that UHLMANN and, if necessary, the third parties named by UHLMANN, are also able to obtain such information and carry out such audits at sub-suppliers. UHLMANN's contractual and/or legal rights shall not be affected by the performance of audits.

UHLMANN shall inspect the delivery items for obvious defects immediately after delivery. This shall include a random visual inspection, an inspection for identity and quantity defects as well as an inspection for any transportation damage visible on the outside of the packaging. Any defects discovered during these inspections shall be reported immediately. Insofar as the supplier has undertaken to carry out an outgoing goods inspection, UHLMANN shall only inspect the delivery items upon receipt of the goods for transportation damage and for proper quantity and identity on the basis of the delivery note.

Defects discovered during the inspections as mentioned above shall be reported immediately. Should the defect be one which was not recognizable during the aforementioned initial inspection, notification of this defect within 10 calendar days of discovery shall be deemed appropriate ("period for notification of defects"). The period for giving notice of defects shall, however, be reduced to an immediate period if the defect is still apparent in the UHLMANN factory to which the delivery items were delivered. UHLMANN shall have no further obligations to inspect and give notice of defects other than those mentioned in this Clause 9. In this respect, the supplier waives the objection of delayed notification of defects.

### **9. Liability for defects/ Warranty/ Product liability**

The statutory provisions on liability for material defects and defects of title shall apply without restriction, unless otherwise stipulated below.

The rights of UHLMANN due to material defects and defects of title shall become statute-barred after 36 months, unless otherwise agreed. The supplier shall bear all costs incurred by UHLMANN as a result of the defective delivery or service, in particular transportation, travel, labor, material and inspection costs exceeding the usual scope. The supplier shall also have the opportunity to remedy defects in the case of defects which were discovered before the start of production (processing or installation), unless this is unreasonable for UHLMANN. Should the supplier be unable to carry this out or should it fail to do so immediately, UHLMANN may in this respect withdraw from the contract without setting a further deadline and return the goods at the supplier's risk. In urgent cases UHLMANN shall be entitled, at its own free discretion, either to shorten the period for subsequent performance by the supplier appropriately or, following consultation with the supplier, to remedy the defect itself or to have it remedied by third parties at the supplier's expense. The right to claim damages shall remain unaffected. Should the same goods be repeatedly defective, UHLMANN shall be entitled, following a written warning in the event of another defective delivery, to withdraw from further unfulfilled contracts and also to claim damages for non-fulfilment in this respect. The assertion of further claims by UHLMANN shall remain unaffected by this.

Insofar as the supplier rectifies the defect or makes a new delivery within the scope of its obligation to rectify the defect, the periods specified in Clause 10, Paragraph 2 shall recommence with regard to this defect.

The supplier shall support UHLMANN on a free-of-charge basis in the defence against all claims arising from product or producer liability. In the event that UHLMANN is held liable under the Product Liability Act, the supplier undertakes to indemnify UHLMANN against such claims on first demand, insofar as the damage was caused by a defect in the goods delivered by the supplier. In cases of fault-based liability, however, this shall only apply if the supplier is responsible for the

defectiveness. Insofar as the cause of the damage lies within the supplier's sphere of risk and responsibility, the supplier must prove that it is not responsible for the defectiveness. In such cases, the supplier shall bear all costs and expenses, including the costs of any legal action or recall. In all other respects, the statutory provisions shall apply.

The supplier shall be obliged to maintain sufficient product liability insurance at its own expense during the contractual relationship and to provide UHLMANN with a copy of the relevant insurance contract at any time upon request.

Claims of the supplier shall be excluded, unless such involves a question of damage resulting from injury to life, body or health for which UHLMANN is responsible or other damage based on a grossly negligent or intentional breach of duty by UHLMANN, its legal representatives or vicarious agents or caused by fraudulent conduct. In the event of a slightly negligent breach of a contractual obligation on the part of UHLMANN, the fulfilment of which is a prerequisite for the proper performance of the contract and on the observance of which the supplier may regularly rely, any claims for damages shall be limited to the foreseeable damage typical for the contract. The supplier shall be liable for measures taken by UHLMANN to avert damage (e.g. recall action) in accordance with its share of causation.

## **10. Other suppliers and sub-suppliers/ Retention of title**

As a matter of principle, the supplier must manufacture the delivery items and services itself or provide them itself. The commissioning of subcontractors and suppliers is not permitted without UHLMANN's prior consent. UHLMANN may only refuse this consent if there is a justified interest. Should the supplier procure deliveries or services from third parties ("other suppliers") for the manufacture of the delivery items or receive the delivery items or services from third parties ("sub-suppliers"), it shall constantly check these deliveries and/or services to ensure that they are free of defects in each case. Should UHLMANN assert rights against the supplier due to defective delivery items or services and should these rights presuppose a fault on the part of the supplier, the supplier shall be responsible for a fault on the part of other suppliers and sub-suppliers to the same extent as it would be for its own fault.

Upon handing over of the goods to UHLMANN, the transfer of ownership shall be unconditional and without consideration of the payment of the remuneration agreed for the delivery or service. Should, on an individual case basis, UHLMANN accept an offer of the supplier for transfer of ownership conditional on payment, the supplier's retention of title shall expire at the latest upon payment. An extended or expanded retention of title by the supplier shall be excluded. In any case, UHLMANN shall be entitled to use and/or resell the delivered goods without restrictions in the ordinary course of business.

## **11. Substance and material data management / proof of origin**

The supplier shall ensure the traceability of all substances used in the products supplied, in parts of these products or for the manufacture of these products or parts of these products. Upon request, the supplier shall provide UHLMANN with the respective documentation and information in a correspondingly suitable form.



For all products delivered to UHLMANN, the supplier shall observe and comply with the national, European and international regulations in force at the time of delivery and applicable to the products with regard to substances, materials or sources of production subject to declaration. Should the parties separately agree on the fulfilment of additional requirements, these shall also become part of the respective supply contract. Should an ingredient used, a material used or a source of production become subject to declaration or be prohibited, the supplier shall inform UHLMANN immediately. The supplier shall also disclose its use of Conflict Minerals in accordance with the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Regulation (EU) 2017/821 (3TG) and the applicable regulations issued and provide UHLMANN with the relevant documents in the form UHLMANN requests. Insofar as this is not compatible with the legal requirements, the products supplied must not contain any components which are hazardous to health or harmful to the environment. Should the products contain hazardous substances or preparations, the supplier shall provide UHLMANN with a fully completed safety data sheet in accordance with the applicable statutory provisions.

The supplier shall be obliged to submit to UHLMANN, upon request, the necessary paperwork concerning the origin of the goods. It shall be liable for their correctness and verifiability by the competent authorities in accordance with the statutory provisions pertaining to compensation for damages.

## **12. Tools/drawings; inspection obligations and use**

All rights to molds, tools, reproductions, plans, samples, drawings and such like (hereinafter referred to as tools), which have been produced and paid for at UHLMANN's expense or handed over to UHLMANN's supplier, shall be exclusively vested in UHLMANN. Ownership rights shall be transferred to UHLMANN at the latest at the time of payment. Tools shall be stored, maintained and serviced by the supplier free of charge and shall be protected and insured against unauthorized access, damage and destruction with the care exercised in its own affairs. The storage obligation shall cease 2 years after the last use, unless expressly agreed otherwise. The supplier shall not be entitled to any rights of retention in this respect.

The supplier shall check information submitted by UHLMANN for completeness and correctness and shall notify UHLMANN immediately of any errors. In the case of incomplete or incorrect documentation, any rectification on the part of the supplier subject to a charge shall require the prior written consent of UHLMANN.

Machines and tools manufactured on the basis of UHLMANN's documents may only be produced for UHLMANN, used for UHLMANN's orders and/or delivered to UHLMANN, unless UHLMANN has expressly agreed in writing to the use for third parties and/or the delivery to third parties.

## **13. Export control, Customs and origin**

The supplier shall immediately inform UHLMANN of any export restrictions applicable in the country of manufacture and/or dispatch of the products. Furthermore, the supplier shall inform UHLMANN if the goods are subject to an export/re-export restriction under US law. Should the supplier have a registered office in the European Union, it shall inform UHLMANN with regard to existing export restrictions for dual-use goods in accordance with European export control restrictions (e.g.

Regulation (EC) 428/2009 (Dual-Use)) as well as about the classification number to be indicated (e.g. AL-numbers, ECCN-numbers for US products, etc.) and, if applicable, existing exemptions both on the respective invoices and/or delivery notes and additionally by e-mail to UHLMANN <mailto:export@uhlmann.de> .

The supplier shall support UHLMANN in reducing or minimizing its customs payments. The supplier shall - where applicable - present a preferential proof suitable for the respective delivery of goods (e.g. EUR 1, invoice declaration, etc.). This proof shall be required for each delivery. Upon request, the supplier shall provide a non-preferential proof of origin if required by the local import regulations of the importing country (e.g. certificate of origin, exporter's declaration, etc.) The supplier shall inform UHLMANN immediately in writing of any change of origin of the products. The supplier shall furthermore inform UHLMANN annually in the form of a long-term supplier's declaration with regard to the non-preferential and preferential origin of its products. The supplier shall ensure the proper labelling of the goods and shall provide UHLMANN without delay, and at the supplier's own expense, with all further documentation and information (e.g. CE certificate, manufacturer's information, country of origin, etc.) required for the import or export of the products delivered to UHLMANN.

#### **14. Third-party property rights**

The supplier warrants that no industrial property rights or applications for industrial property rights of third parties shall be infringed in connection with its delivery. In the event of infringement of property rights despite contractual use by UHLMANN or its customers, the supplier shall be obliged to procure the necessary rights from the holder of the property rights at its own expense. Should claims be asserted against UHLMANN or its customers by third parties due to an alleged infringement of property rights, the supplier shall indemnify UHLMANN against all claims upon first request and shall bear all costs and expenses in connection with the claim.

This shall not apply if and insofar as the supplier has manufactured the delivery items according to drawings, models or other descriptions or information of UHLMANN equivalent thereto handed over by UHLMANN and the supplier does not know or, should not have known in connection with the products developed by it, that industrial property rights would be infringed thereby. The parties undertake to inform each other without delay of any risks of infringement and alleged cases of infringement that become known and to counteract corresponding claims by mutual agreement. Upon UHLMANN's request, the supplier shall notify UHLMANN in writing of the use of published and unpublished own and licensed industrial property rights and applications for industrial property rights to the delivery items.

#### **15. Social responsibility, business ethics and legal compliance**

For UHLMANN it is essential that social responsibility is taken into account within the framework of supplier relationships and in corporate activities. This applies equally to the company's own employees, employees of contractual partners and suppliers, and to the company in general. UHLMANN has adopted its own code of conduct for this purpose as well as a Code of Conduct for Business Partners. Furthermore, UHLMANN has adopted a policy statement on observance of



human rights in accordance with the requirements of the German Supply Chain Due Diligence Act. The Code of Conduct for Business Partners and the policy statement are an integral part of these GTCP and is also available at [https://www.uhlmann-group.com/fileadmin/user\\_upload/PDF/Uhlmann-Group\\_CoC-GeschPartner\\_2022\\_EN\\_22-11-2022\\_13\\_00\\_36\\_101.pdf](https://www.uhlmann-group.com/fileadmin/user_upload/PDF/Uhlmann-Group_CoC-GeschPartner_2022_EN_22-11-2022_13_00_36_101.pdf) resp. at [https://www.uhlmann-group.com/fileadmin/user\\_upload/PDF/Policy-statement\\_observanc-of-human-rights\\_.pdf](https://www.uhlmann-group.com/fileadmin/user_upload/PDF/Policy-statement_observanc-of-human-rights_.pdf) at any time. UHLMANN expects the supplier to unconditionally accept and comply with the Code of Conduct for Business Partners at all times.

The supplier warrants that, in the event that regulations concerning a statutory minimum wage apply, it shall comply with the provisions in force at the time. In addition, the supplier shall comply with internationally-applicable minimum labor standards with regard to employee rights, working hours and occupational health and safety. The supplier undertakes to comply with the applicable statutory regulations pertaining to environmental protection and to deploy its best endeavors at all times to permanently reduce the adverse effects on people and the environment arising in the course of its activities.

Irrespective of this, however, it must be the expressly declared aim of UHLMANN and the supplier to comply with the guidelines of the UN Initiative Global Compact (Davos, 01/99), available at any time at [www.unglobalcompact.org](http://www.unglobalcompact.org) and to observe these principles. Of particular importance are the following principles of the guidelines of the UN Global Compact Initiative (Davos, 01/99): respect for human dignity and human rights, the prohibition of child labor, the prohibition of forced labor, the prohibition of discrimination, the observance of freedom of association and the relevant national standards on remuneration, working hours, health protection, environmental protection and the fight against corruption. The supplier undertakes to ensure that the aforementioned principles are observed and implemented within its company. In addition, UHLMANN expects the supplier to constantly strive and ensure that its other suppliers and sub-suppliers also ensure compliance with the principles and requirements stated herein. Serious or repeated violations of either the Code of Conduct for Business Partners or of the obligations, principles and requirements mentioned in this Clause 16 by the supplier or its other suppliers and/or sub-suppliers shall lead to unacceptability on the part of UHLMANN for continuing the supply relationship. In such a case, UHLMANN shall be entitled to terminate without notice for good cause both individual agreements existing with the supplier and framework agreements.

## **16. Right of withdrawal**

Should the supplier not provide the service due or not provide such in accordance with the contract or breaches or disappoints the obligations and expectations contained in these GTCP, UHLMANN shall be entitled, after having unsuccessfully set a deadline with a request to provide the service, to withdraw from the contract for the part not fulfilled. However, the setting of a deadline shall not be required in particular if (i) the supplier seriously and finally refuses performance, (ii) the supplier does not perform by the date stipulated in the contract or within a period stipulated in the contract although the performance on time or within the deadline is essential for UHLMANN and this was recognizable for the supplier or (iii) a material deterioration of the supplier's assets has occurred which endangers the performance of the contract or (iv) the opening of insolvency proceedings against the assets of the supplier has been applied for and/or the opening of such proceedings has

been rejected due to a lack of assets. Legal rights and claims of UHLMANN shall not be limited by the provisions contained in this Clause 17.

### **17. Place of performance, place of jurisdiction, contractual language and applicable law**

The place of performance, also for liabilities arising from bills of exchange, shall be UHLMANN's place of business. The exclusive place of jurisdiction for all legal disputes arising from, or in connection with, the business relationship of UHLMANN with the supplier as well as with regard to its origin and effectiveness, including actions on bills of exchange and cheques, shall be the registered office of UHLMANN. However, UHLMANN shall be entitled, at its own discretion, to assert claims against the supplier at the supplier's place of business.

UHLMANN shall be entitled to also assert claims against the supplier before an arbitral tribunal to be established at the competent place of jurisdiction in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce, instead of before the ordinary courts. There shall be three arbitrators. Each party shall be entitled to appoint an arbitrator. The third arbitrator, who shall act as Chairperson of the arbitral tribunal and who must be a fully qualified lawyer, shall be chosen by the other two arbitrators. The language of the arbitral tribunal shall be German. German law shall be the applicable substantive law. The judgment of the arbitral tribunal shall be final and binding on the parties.

The laws of the Federal Republic of Germany shall apply exclusively to the exclusion of the conflict of law's provisions. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980 is excluded,

### **18. Severability clause**

The complete or partial invalidity or ineffectiveness or unenforceability of any provision of these GTCP shall not affect the validity and enforceability of the remaining provisions. Should one or more provisions prove to be void, invalid or unenforceable, the contracting parties undertake to replace the void, invalid or unenforceable provisions by new provisions which come as close as possible to the legal and economic success of the void, invalid or unenforceable provisions.