

GENERAL TERMS AND CONDITIONS FOR THE SUPPLY AND INSTALLATION OF (SECONDARY) PACKAGING MACHINES BY SOMIC VERPACKUNGSMASCHINEN GMBH & CO KG (Somic)

I. GENERAL

1. All deliveries and services relating to packaging machines, peripheral devices and other equipment, as well as transport lines, material handling systems, format parts, accessories and third-party equipment, shall be subject to these terms and conditions and any separate contractual agreements, which shall prevail in the event of any conflict over these terms and conditions. Any amendments or deviations from shall be made in writing.
2. Any terms and conditions of purchase of the Customer that deviate from these Terms and Conditions shall not form part of the contract, even if Somic accepts the order.
3. Unless otherwise agreed, a contract shall be formed upon Somic's written order confirmation.

II. PRODUCT INFORMATION / INSTRUCTIONS

1. Any information and data contained in general product documentation and price lists, in whatever form, shall be binding only to the extent that the contract expressly refers to them in writing.
2. Somic shall provide, free of charge, no later than at the time of transfer of risk, information, drawings and instructions as are necessary to enable the customer to commission, operate and maintain the delivery item. Such information, drawings and instructions shall be provided in electronic form. Somic shall not be obliged to provide workshop drawings for the delivery item or for spare parts.
3. Somic shall not be obliged to provide any further documentation, in particular design, manufacturing or software documentation. Any modifications or interventions by the customer to the machine or the software, even if carried out on the basis of the documentation provided, shall be carried out at the customer's own risk. The Customer's warranty rights shall not apply to defects or damage resulting from such modifications or interventions. This shall not affect statutory liability from intent or gross negligence, or for injury to life, limb or health.

III. INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY

1. All intellectual property rights in and to the delivery item, including integrated software and technical information relating to the delivery item, shall remain vested in Somic or, where applicable, with a third party who has granted Somic a licence to grant sub-licences for these rights. Subject to any restrictions agreed between the third party and Somic, the Customer shall be granted a non-exclusive, perpetual and transferable right to use these intellectual property rights, but only to the extent necessary for the purposes of the Contract. Somic is not obliged to provide the Customer with the source code. Updates to integrated software shall only be provided if this has been expressly agreed in writing or is required by law. Unless otherwise agreed in writing, this shall also apply if the delivery item and/or the software have been developed specifically for the Customer.

2. Somic reserves ownership and copyright in samples, quotations, drawings and other information of a tangible and intangible nature – including in electronic form; such information shall not be disclosed or made available to third parties. Upon Somic's request, the Customer must return all such items to Somic and destroy or destroy any copies thereof, if they are no longer required by the customer in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. This shall not apply to the retention of electronically provided data for standard backup purposes.
3. Technical, commercial and financial information, and information designated as confidential or deemed confidential by its nature, which is communicated by one party to the other in writing or orally, shall be treated as confidential. Information may therefore not be used for any purpose other than that for which it was provided without the written consent of the disclosing party. It may not be transmitted, communicated or otherwise disclosed to third parties without the written consent of the disclosing party. This obligation shall remain in force for a period of 5 years following the termination of the contract.

IV. FACTORY ACCEPTANCE TEST (FAT)

1. Unless otherwise agreed, factory acceptance tests (FATs) provided for in the contract shall be carried out at the place of manufacture during normal working hours. If the contract contains no provisions regarding technical requirements, the tests shall be governed by the general practice of the relevant industry in the country of manufacture.
2. Somic must give the customer written notice of these tests in good time so that the customer can be represented during the tests. If the customer is culpably not represented, they shall receive a test report from Somic, the accuracy of which they may no longer dispute.
3. If the delivery item is found to be non-conforming during the tests, Somic shall remedy the defect within a reasonable period of time to restore the delivery item to the condition specified in the contract. The customer may only demand a repeat of the tests in cases of defects that materially impair the intended use of the delivery item.
4. Somic shall bear all costs for inspections carried out prior to dispatch of the delivery item. However, the customer shall bear all travel and boarding expenses incurred in connection with the inspections for its representatives.

V. PREPARATORY WORK AND WORKING CONDITIONS

See Terms and conditions for installation, commissioning and servicing work performed by SOMIC VERPACKUNGSMASCHINEN GMBH & CO KG

VI. FAILURE TO PERFORM ON THE PART OF THE CUSTOMER

1. If the customer anticipates that it will be unable to accept the delivery item by the agreed delivery date or fulfil their obligations required for the performance of the installation, in particular in accordance with the conditions set out in the Terms and conditions for installation, commissioning and servicing work (see reference to Section V.), then the customer shall notify Somic of this without undue delay in writing, stating the reason, and, where possible, indicating the date on which it expects to fulfil their obligations.

2. If the Customer fails to accept the delivery item on the agreed delivery date or fails to fulfil the obligations required for the performance of the installation, in particular in accordance with the Terms and conditions for installation, commissioning and servicing work (see Section V.), in full and in a timely manner, the following shall apply:
 - a) Somic shall be authorised, at its discretion, to perform the customer's obligations itself or have them performed by a third party, or take other measures appropriate under the circumstances to avoid or mitigate the effects of the customer's non-performance.
 - b) Somic shall be authorised to suspend performance of the contract in whole or in part. Somic shall notify the customer without undue delay of the suspension and in writing.
 - c) If the delivery item remains at Somic's premises, Somic shall arrange for its storage at the Customer's risk. Upon the Customer's request, Somic shall insure the delivery item.
 - d) Somic shall be authorised to claim reasonable compensation for the duration of the delay.
 - e) The customer shall reimburse Somic for all reasonable costs arising from measures taken in accordance with (a) and (c) of this clause, as well as all other costs incurred as a result of the customer's non-performance and not covered by clauses XI.2 and 3.

If the customer breaches fails to cooperate or to accept the goods and such failure results in a delay in delivery or installation, Somic shall be authorised to invoice those partial or final payments which would have become due at that time if the contract had been performed in accordance to its terms, in particular in the case of delivery in accordance with the agreed Incoterms (DAP). In this case, Somic is authorised to issue the invoice regardless of whether the agreed delivery location has been reached. If, due to the customer's delay, the delivery does not take place as a VAT-exempt export delivery, the invoice will initially be issued showing the statutory value added tax. Somic will make a corresponding correction as soon as the conditions for a VAT-exempt export delivery are subsequently proven. Invoiced amounts shall be payable within 30 days of the invoice date. Somic's contractual performance obligations remain unaffected in all other respects.

VII. LAWS, REGULATIONS AND RULES

1. Somic warrants that the delivered item complies with the Machinery Directive 2006/42/EC, or the Machinery Regulation 2023/1230, which comes into force on 20 January 2027. For deliveries outside the EU, the customer shall provide relevant information regarding any differing laws and regulations in writing. Any costs for certification in the destination country shall be borne by the customer. The customer is responsible for the conformity of the entire system, the integration of the delivered goods, and for any operational and site-specific regulations.
2. Somic shall carry out all modification work and similar tasks required in the event of changes to the laws and regulations referred to in Section VII.1 or to generally accepted engineering standards relating thereto, provided that such a change occurs between the date of submission of the final quotation and the transfer of risk, and the change is technically feasible and economically reasonable. The customer shall bear all separately incurred costs and all other consequences arising from such changes, in particular for the modification work. Such changes shall entitle Somic to a reasonable extension of the agreed delivery and performance deadlines. Somic is entitled to suspend delivery until agreement has been reached on the implementation of the required modification work.

3. Somic shall be entitled to compensation for the time spent and costs incurred in connection with the modification work at Somic's then applicable rates and prices. The estimate is provided for information purposes only and does not constitute a binding cost ceiling. Prior to carrying out the modification work, Somic shall provide the customer with an estimate of the implications in terms of time and costs.

VIII. TRANSFER OF RISK

1. The risk of accidental loss or damage to the delivery item shall pass to the customer in accordance with the agreed delivery terms, which shall be interpreted in accordance with the INCOTERMS® valid at the time of conclusion of the contract. Unless otherwise agreed, delivery shall be made on a "Delivered At Place" (DAP) basis within the meaning of the INCOTERMS® in force at the time of conclusion of the contract. Accordingly, the risk of accidental loss or damage to the delivery item passes to the customer when the goods are made available to the customer on the arriving means of transport, ready for unloading, at the named place of destination. Somic bears all risks associated with transport to the named place of destination.
2. Partial deliveries are permitted, unless otherwise agreed in writing, provided that the partial delivery is usable by the customer for the contractual purpose, the delivery of the remaining goods is ensured, and this does not incur in any substantial additional effort or costs for the customer (unless Somic agrees to bear these costs).
3. If the contracting parties agree to carry out a Site Acceptance Test (SAT), this shall not affect the time of transfer of risk as set out above.

IX. SITE ACCEPTANCE TEST (SAT)

1. Upon completion of installation, on-site acceptance tests (SAT) shall be carried out, unless otherwise agreed, to verify that the delivery item complies with the contractual acceptance criteria. Somic shall notify the Customer in writing that the delivery item is ready for acceptance. Such notice shall include a proposed date for the SAT, allowing the Customer sufficient time to prepare for and attend the tests with its representatives. The Customer shall bear all costs associated with the SAT. Somic shall bear the costs of its own personnel and representatives, provided that (i) the duration of the SAT does not exceed four hours per format, (ii) no repeat SAT runs are required, (iii) no waiting times occur between SAT runs, and (iv) uninterrupted operation of any upstream equipment is ensured. In the event that these conditions are not met, Somic shall be authorised to charge any resulting additional costs separately.
2. The Customer shall, at its own expense, provide all utilities, materials and resources required for the performance of the on-site acceptance tests (SAT) and for final adjustments during test preparation, including, without limitation, compressed air, power supply, lubricants, hot melt adhesive, data interfaces, fully operational upstream and downstream equipment, and raw materials and packaging materials. The Customer shall further, at its own expense, install any necessary equipment and provide the labour and other resources required to carry out the SAT. The customer shall ensure that all connected lines (including products and packaging materials) are available at full capacity during the day shift.

3. If the customer has received a notice in accordance with Clause IX.1 and fails to comply with its obligations under Clause IX.2 or otherwise prevents the on-site acceptance tests from being carried out, the SAT shall be deemed to have been successfully completed on the date specified for the SAT in Somic's notice.
4. The on-site acceptance tests shall be carried out during normal working hours in accordance with the specifications set out in Somic's quotation.
5. Somic shall prepare a report of the site acceptance tests and shall provide such report to the customer. If the Customer, having received notice in accordance with Clause IX.1, fails to be represented at the SAT, the Customer shall not be entitled to challenge the accuracy of the SAT report.
6. If the delivery item is found to be non-conforming during the on-site acceptance tests, Somic shall remedy such non-conformity within a reasonable period of time. Upon the customer's prompt written request, the SAT shall be repeated in accordance with Clause IX.1–5. This shall not apply if the non-conformity does not materially affect the performance of the delivery item.

X. DELIVERY TIME, DELAY IN DELIVERY

1. The delivery time shall be agreed between the parties. Compliance with the delivery time by Somic is subject to all commercial and technical matters having been clarified between the parties and to the Customer having fulfilled all of its obligations in accordance with the agreed schedule, including, without limitation, technical approvals (e.g. format list, layout), provision of test products and materials (e.g. products, carton packaging, hot melt adhesive), and the provision of any required official certificates or approvals. If these conditions are not met, the delivery time shall be extended by the period required to fully compensate for the resulting delay. This shall not apply as far as Somic is responsible for such delay.
2. Delivery of the machine is also subject to Somic having received in full all payments due prior to delivery in accordance with the agreed payment schedule. If the customer is in default of any such payment, Somic shall be authorised to suspend delivery until full payment has been received. In such case, the delivery time shall be extended by the period of the payment delay plus a reasonable period for organisational restart and rescheduling.
3. Compliance with the delivery time is subject to Somic's timely and proper receipt of supplies from its own suppliers. Somic shall notify the Customer without undue delay of any anticipated delays.
4. The delivery period shall be deemed to have been met if the goods have been dispatched from Somic's premises by the end of such period or if Somic has notified the Customer that the goods are ready for dispatch.
5. If dispatch of the goods is delayed for reasons attributable to the customer, the customer shall bear all costs incurred as a result of such delay, including, without limitation storage, personnel costs and transportation costs. Such costs shall be invoiced separately, commencing one week after the originally agreed dispatch date.

6. If failure to meet the delivery time is due to force majeure within the meaning of Clause XVI, industrial action or other events beyond Somic's control, the delivery time shall be extended accordingly. Somic shall notify the customer of the commencement and end of such circumstances as soon as possible. This provision shall apply irrespective of whether the reason for the delay occurs before or after the agreed delivery date.
7. The customer's claims arising from a delay in delivery by Somic shall be governed exclusively by Clause XIV.2 of these terms and conditions.

XI. PAYMENT

1. Payment shall be made within 14 days of the invoice date. Unless otherwise agreed, the contract price shall be invoiced as follows:
 - 50% of the contract price upon conclusion of the contract,
 - 40% of the contract price prior to delivery of the goods
 - the remaining balance of the contract price upon completion of the final acceptance / SAT, but in any event no later than 30 days after delivery, provided that any delay in final acceptance / SAT is not attributable to Somic.
2. Services not included in the contractually agreed scope of services and subsequently requested by the customer or rendered necessary by changes initiated by the customer shall be invoiced separately. Unless otherwise agreed, such services shall be charged on the basis of Somic's hourly rates applicable at the time of performance, plus travel time, travel expenses, living expenses and material costs. The applicable hourly rates shall be made available to the customer upon request. To the extent that delivery or performance deadlines agreed upon in connection with additional services are affected, such deadlines shall be extended appropriately, taking into account the additional effort involved.
3. In the case of installation on a lump-sum basis, the contract price shall, unless otherwise agreed, include the following items:
 - a) reasonable travel expenses incurred by Somic for its personnel, as well as the costs of transporting its equipment and personal luggage
 - b) boarding expenses, including reasonable daily allowances for each day the installation staff are away from their place of residence, including rest days and public holidays;
 - c) working hours, calculated on the basis of the hours confirmed by the customer through signature of the relevant timesheets. Overtime, Sunday, public holiday and night work shall be charged at special rates and are not included in lump-sum price. Such rates shall be as agreed in the contract or, in the absence of such an agreement, in accordance with Somic's installation and commissioning rates applicable at the time of performance, which are revised periodically and may vary by country;
 - d) the time required for:
 - preparation and formalities relating to the outbound and return travel of Somic's personnel;
 - travel to and from the site, as well as other travel time to which the personnel are entitled under applicable law, regulations or collective agreements in Germany;
 - daily travel between accommodation and the installation site, to the extent that such travel exceeds half an hour per one-way and no suitable accommodation closer to the installation site is available;

- e) Somic's contractual expenses for the provision of equipment by Somic and, where applicable, a fee for the use of its heavy tools;
4. The following items are not included in the contract price and shall therefore be invoiced separately:
- a) taxes and duties payable by Somic in the country of installation in connection with the invoice amount;
 - b) costs that could not reasonably have been foreseen by Somic and that arise from circumstances beyond Somic's control;
 - c) additional costs arising from mandatory legislation in the customer's country;
 - d) costs, expenses and time incurred in connection with additional work for which Somic is not responsible. Time-based costs shall be invoiced in accordance with the rates set out in Clause XI. 3.c).
5. In the event of a delay in installation for reasons not attributable to Somic and not resulting from any of the circumstances specified in Clause XVI, the customer shall compensate Somic for any additional costs incurred as a result of such delay, including, without limitation:
- a) waiting times and additional travel time;
 - b) costs and additional work resulting from the delay, including the dismantling, securing and reassembly of the installation equipment;
 - c) additional costs arising from Somic's equipment being tied up at the installation site for longer than originally planned;
 - d) additional subsistence costs and travel expenses for Somic's personnel;
 - e) additional financing and insurance costs;
 - f) other documented costs incurred by Somic as a result of delay. Costs on a time basis shall be invoiced in accordance with the rates set out in Clause XI.3.c).
6. Regardless of the method of payment, payment shall only be deemed to have been made once the amount due has been irrevocably credited to Somic's account.
7. If the customer is in default of payment, Somic shall be entitled to charge interest at a rate of five per cent per annum from the due date. This shall not affect Somic's right to claim higher statutory default interest from the date on which payment becomes overdue.
8. In the event of delayed payment or the customer's failure to provide agreed security within the stipulated period, Somic shall be authorised, upon written notice to the customer, to suspend the performance of its own obligations until payment is received or the security is provided.
9. If the customer is more than three months in default of any due payments, Somic shall be authorised, upon written notice to the Customer, to withdraw from the contract. In addition to interest and reimbursement of debt collection costs in accordance with this clause, Somic shall be entitled to claim reimbursement of its costs and compensation for any losses incurred as a result of such default.

XII. RETENTION OF TITLE

1. The goods shall remain the property of Somic until full payment of all amounts due, including payment for the assembly and commissioning, has been received, provided that such retention of title is valid under the applicable law.
2. Somic is entitled to insure the delivery item against theft, breakage, fire, water damage and other risks at the customer's expense, unless the customer provides evidence that it has taken out equivalent insurance.
3. Prior to full payment, the customer shall not be authorised to sell, pledge or otherwise dispose of the goods, or to assign them as security. In the event of attachment, seizure or other dispositions by third parties, the customer must notify Somic immediately.
4. In the event of late payment, Somic shall be authorised to demand the return of the goods.
5. The retention of title does not affect the provisions regarding the passing of risk under Clause VIII.

XIII. LIABILITY FOR DEFECTS

Somic shall be liable for defects in quality and defects in title of the delivery item exclusively in accordance with the provisions set out below, subject to Clause XIV.2:

1. Material Defects

To the extent that the parties have agreed on the quality of the goods, any objective requirements for the goods shall not apply in this respect.

- a) The delivery item or affected parts shall, at Somic's discretion, be repaired or replaced free of defects if they are found to be defective due to circumstance existing at the time of the transfer of risk. The Customer shall notify Somic in writing of any such defects without undue delay after their discovery. Replaced parts will become the property of Somic.
- b) In order for Somic to carry out any repairs or replacement deliveries it deems necessary, the customer shall, after consultation with Somic, grant Somic the necessary time and opportunity to do so; otherwise, Somic shall be released from liability for any resulting consequences.
Only in urgent cases where operational safety is at risk or to prevent disproportionate damage – in which case Somic shall be notified without undue delay – the customer shall be authorised to remedy the defect themselves or have it remedied by third parties and to claim reimbursement of the necessary costs from Somic.
- c) If the complaint is justified, Somic shall bear the costs necessary for the purpose of remedying the defect, provided that costs are not disproportionate. If the costs are increased because the customer has moved the goods to a location other than the place of performance after delivery, any additional costs arising therefrom shall be borne by the customer.
- d) The customer shall be authorised to withdraw from the contract in accordance with the statutory provisions if Somic – taking into account the statutory exceptions – fails to remedy the defect or provide a replacement within a reasonable period set by the Customer. If the defect is only minor, the customer shall not be authorised to withdraw from the contract but shall be entitled solely to a reduction of the contract price. Any further rights to a reduction of the contract price are excluded.

- e) Any further claims shall be governed exclusively by Clause XIV.2 of these Terms and Conditions.
- f) Somic shall have no liability, in particular, in the following cases: unsuitable or improper use (in particular the use of unsuitable materials such as cardboard and glue or products that do not meet the agreed specifications), incorrect assembly or commissioning by the customer or third parties, natural wear and tear or natural deterioration, incorrect or negligent handling, improper maintenance or servicing, unsuitable operating resources, defective construction work, unsuitable building ground, chemical, electrochemical or electrical influences – provided that Somic is not responsible for such circumstances.
- g) Somic shall have no liability for defects or damage resulting from the customer having provided or required specific designs, materials, production methods or other specifications. This shall not apply where Somic knew or ought reasonably to have known the unsuitability or defectiveness of such specifications and has failed to notify the
- h) customer thereof without undue delay. Liability for intent and gross negligence remain unaffected.
- i) Somic shall have no liability for any consequences resulting from improper repairs carried out by the Customer or third parties. The same applies to modifications to the delivery item made without Somic's prior consent.

2. Legal Defects

- j) If the use of the delivered item results in an infringement of intellectual property rights or copyright within Germany, Somic shall, at its own expense, in principle procure for the customer the right to continue using the item or modify the delivered item in a manner reasonably acceptable to the customer so that the infringement of property rights no longer exists.

If this is not possible on commercially reasonable terms or within a reasonable period, the Customer shall be authorised to withdraw from the contract. Under the aforementioned conditions, Somic shall also be authorised to withdraw from the contract.

Furthermore, Somic shall indemnify and hold the customer harmless against any undisputed or legally established claims by the relevant intellectual property rights holders.

- k) The obligations of Somic set out in Clause XIII. 2.i) shall be exhaustive in the event of an infringement of property rights or copyright, subject to Clause XIV. 2.

Such obligations shall only apply if

- the customer notifies Somic without undue delay of any alleged infringements of intellectual property rights or copyright,
- the customer reasonably supports Somic in defending against the asserted claims or enables Somic to implement the modification measures in accordance with Clause XIII. 2.i),
- Somic reserves the right to take all defensive measures, including out-of-court settlements,
- the legal defect/infringement is not due to an instruction from the customer, and
- the infringement was not caused by the customer having altered the delivered item without authorisation or having used it in a manner not in accordance with the contract.

3. Defects shall be remedied at the installation site, unless Somic, after taking into account the interests of both parties, determines that it is more appropriate for the goods or the defective part to be returned to Somic or to another location designated by Somic. If the defect is remedied at the installation site, the Terms and conditions for installation, commissioning and servicing work (see reference to Section V.) shall apply accordingly.
4. The customer shall, at its own expense, ensure safe access to the delivery item and provide any necessary intervention in relation to equipment not forming part of the delivery item, to the extent required to remedy the defect.
5. Unless otherwise agreed, the necessary transport of the delivery item or individual parts to and from Somic in connection with the remedy of defects for which Somic is responsible shall be at Somic's risk and expense. The customer shall comply with Somic's instructions in connection with such transport.
6. Unless otherwise agreed, the customer shall bear all additional costs incurred by Somic in remedying the defect arising from the fact that the delivery item is located at a place other than the installation site.
7. If the customer reports a defect and no defect for which Somic is responsible is found, the customer shall reimburse Somic for the costs incurred by Somic as a result of such a complaint.

XIV. SOMIC'S LIABILITY, EXCLUSION OF LIABILITY

1. Somic's liability for any breach of obligations in connection with consultancy services or other contractual and pre-contractual ancillary obligations shall be governed exclusively by the provisions in Clauses XIII and XIV.
2. Somic shall not be liable for damage not caused to the delivery item itself, including, without limitation, loss of profit resulting from production downtime, irrespective of the legal basis, except as follows:
 - a) in cases of intent and gross negligence,
 - b) in the event of culpable injury to life, limb or health,
 - c) in the case of defects which Somic has fraudulently concealed,
 - d) in the case of defects in the delivery item, to the extent liability arises under applicable product liability law for personal injury or damage to property used for private purposes.

In the event of culpable breach of essential contractual obligations, Somic shall also be liable in cases of simple negligence, though limited to losses that are typical for the contract and reasonably foreseeable. Essential contractual obligations include the obligation to deliver and install the goods on time, to ensure they are free from legal defects, and to ensure they are free from material defects that impair their functionality or fitness for purpose materially impair, and duties of advice, protection and care intended to enable the customer to use the delivery item in accordance with the contract or to protect the life or limb of the customer's personnel or to protect their property from significant damage. Any further liability is excluded.

XV. LIMITATION PERIOD

All claims of the customer – regardless of their legal basis – shall become time-barred 12 months after delivery of the goods (see next paragraph). This shall also apply to limitation periods for recourse claims within the supply chain. Any suspension of the limitation period for such recourse claims shall remain unaffected; however, such suspension shall end no later than five years after the date on which Somic delivered the goods to the customer. These provisions regarding the limitation period for recourse claims and any suspension thereof shall not apply where the final contract in the supply chain qualifies as a consumer sale under the applicable law.

For the purposes of these Terms and Conditions, “delivery” shall mean the handover of operations. Handover for operation shall be deemed to have taken place when installation and commissioning have been completed and Somic has granted the customer production approval. The limitation period shall commence upon the granting of production approval. An agreed Site Acceptance Test (SAT) shall not affect the start of the limitation period. If installation, commissioning or handover is delayed for reasons attributable to the Customer, delivery shall be deemed to have taken place at the time when handover would have occurred had the Customer complied with its contractual obligations.

XVI. FORCE MAJEURE

A party shall not be liable for any failure to perform or delay in performing its contractual obligations where such failure or delay is due to an event of force majeure, meaning an event beyond its reasonable control, which was not reasonably foreseeable at the time the contract was concluded, and could not have been prevented or overcome by reasonable measures. Force majeure shall include, in particular, natural disasters, extreme natural events, fire, war, acts of terrorism, civil unrest, official measures or orders, embargoes, sanctions, import or export restrictions, shortages of energy or raw material, pandemics or epidemics, industrial disputes and other serious operational disruptions. Official travel warnings or comparable official safety measures which significantly impede or render unreasonable the deployment of personnel at the place of performance shall also be deemed force majeure. Somic shall not be obliged to send employees to regions for which an official travel warning is in place and where there is a significant risk to life or health. The party affected by force majeure must inform the other party without undue delay in writing. During the continuance of the event, the affected performance obligations shall be suspended; agreed deadlines shall be extended appropriately by the duration of the disruption period for resumption of performance. If the event lasts longer than six months, either party shall be entitled to withdraw from the contract with regard to the part not yet fulfilled.

XVII. DISPUTES AND GOVERNING LAW

1. All disputes arising out of or in connection with the contract shall be finally settled in accordance with the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with those Rules. The seat of arbitration shall be Munich. The language of the arbitration shall be English.
2. This contract shall be governed by and construed in accordance with the substantive laws of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).