

**General Purchasing Terms (GPT)  
of Veldener Präzisionstechnik GmbH**

**§ 1 – General, Scope of Application**

- (1) The following General Purchasing Terms (in the following: GPT) govern all business relationships with our business partners and suppliers (in the following: Vendor). The GPT shall only apply if Vendor is a merchant within the meaning of § 14 German Civil Code (Bürgerliches Gesetzbuch), a legal entity under public law or federal special fund under public law.
- (2) The GPT shall apply in particular to contracts covering the sale and delivery of movable goods (in the following also: Goods), regardless of whether Goods are produced by Vendor himself or bought in from sub-suppliers. The GPT in their current version shall also apply as frame agreement to all future contracts covering sale and delivery of movables with the same Seller, without us having to refer to them again in each individual case.
- (3) These GPT shall apply exclusively. Deviating, conflicting or additional Vendor's general business terms shall only become part of the contract and only to the extent as we explicitly agree to them in writing. This consent requirement applies in any case, for example also, if we accept Vendor's delivery without reservations while being aware of Vendor's general business terms.
- (4) Individual arrangements made in a particular case (including any ancillary agreements, amendments and modifications) shall take priority over these GPT. The contents of such arrangements shall be subject to a written contract or to our confirmation in writing.
- (5) Legally relevant declarations and notifications required to be presented to us by Vendor after the conclusion of the contract (e.g. deadlines, reminders, declaration of withdrawal), shall be effective only if made in writing.
- (6) References to the application of statutory provisions only serve clarification purposes. Therefore, statutory provisions shall be effective even without such clarification, unless they are directly modified or expressly excluded by these GPT.
- (7) The supplier must ensure that the respectively applicable legal and official requirements of the exporting country, the importing country and the destination country specified by the customer - if they are communicated to the supplier - will be fulfilled.
- (8) If special monitoring measures are imposed on the supplier for certain products that are subject to legal and regulatory requirements, the supplier must ensure that this monitoring takes place as required and is continuously maintained - even with his own suppliers.
- (9) The Supplier undertakes to comply with the respective statutory regulations for dealing with employees, environmental protection and occupational safety and to work towards reducing adverse effects on humans and the environment in their activities. To this end, the supplier will further develop his management system in accordance with ISO 9001 or ISO / TS 16949 in the direction of IATF16949 and strive for a management system in accordance with ISO 14001. Furthermore, the supplier will observe the principles of the UN Global Compact Initiative. These mainly concern the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination in recruitment and employment, environmental responsibility and the prevention of corruption.
- (10) In the event that the supplier repeatedly and / or in spite of an appropriate notice behaves unlawfully and does not prove that the violation was remedied as far as possible and reasonable precautions were taken to avoid future violations, we reserve the right to withdraw from existing contracts or terminate them without notice.

**§ 2 – Conclusion of Contract**

- (1) We can revoke our purchase orders any time until acceptance by Vendor. For the purpose of correction or completion, Vendor shall point out obvious errors (e.g. spelling or arithmetical errors) and incompleteness of the order including order documents; otherwise the contract shall be deemed to not have been concluded.

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- (2) The Vendor shall confirm our purchase order in writing within a period of ten (10) days or especially execute it by shipping Goods without reservations (acceptance).
- (3) A delayed acceptance shall be considered as new offer and requires our acceptance.

**§ 3 – Delivery Time, Delayed Delivery**

- (1) The delivery time specified in our purchase order is binding. If the delivery time has not been specified in the purchase order and has also not been otherwise agreed, it shall be two (2) weeks after conclusion of the contract. The Vendor shall be obligated to immediately notify us in writing in case for whatever reason he will most probably not be able to meet agreed delivery times.
- (2) The ordered Goods have to be delivered to us on the agreed delivery day or within the agreed delivery time during our business hours, currently Monday through Friday between 07:00 and 12:00 or between 12:45 and 15:00. In case a different destination is stipulated, the Goods have to be received there at normal business hours. The respective place of destination is also the place of fulfillment (Bringschuld).
- (3) If Vendor does not execute the service owed or not in within the agreed delivery time or is in default, then our rights – especially our right to withdraw from contract and claim damages – are determined by statutory legal provision. The rules set forth in section 4 shall remain unaffected hereby.
- (4) If Vendor is in default, we can – besides further statutory claims – demand liquidated damages for the damage caused by the delay at the amount of 1% of the net price of Goods delivered late per completed calendar week, however, capped at 5% of the net price of Goods delivered late. We are entitled to prove that a higher damage has incurred. Vendor shall reserve the right to prove that no loss or a smaller loss has incurred.

**§ 4 – Performance, Delivery, Transfer of Risk, Default in Acceptance**

- (1) Without our prior written consent, Vendor is not entitled to have the due performance rendered by third parties (e.g. sub-contractors). Vendor shall assume the procurement risk for his performance.
- (2) Shipping is free buyer's address within Germany.
- (3) The delivery shall be accompanied by a delivery note (in duplicate) indicating the date (issuance and shipping), content of the delivery (article number and quantity) as well as our order code (date and number). In case the delivery note is missing or incomplete, we shall not be responsible for any delay in processing or payment resulting there from.
- (4) The risk of accidental loss or deterioration of the item passes on to us with the hand over at the place of performance. As far as acceptance is agreed, this shall be authoritative for the transfer of risk. The legal provisions for the contracts about work services (Werkvertrag) shall also apply for the acceptance respectively. It will be deemed equal to delivery or acceptance if and when we are in default of acceptance.
- (5) The start of our default of acceptance occurs according to legal provisions. Vendor, however, must also explicitly offer their performance even if a specified or identifiable calendar time is stipulated for an action or contribution on our part (e.g. provision of material). If we are in default of acceptance, Vendor is entitled to demand compensation for his additional expenses according to legal provisions. If the contract covers an irreplaceable article to be produced by Vendor (custom-built production), Vendor shall only have further rights, if we have agreed to contribute and if we are liable for the fact that our contribution did not take place.

**§ 5 Prices and Payment**

- (1) The price quoted in the purchase order shall be binding. All prices include VAT, if this is not declared separately.
- (2) Unless otherwise agreed, the price includes all Vendor's services and ancillary services (e.g. assembly, installation) as well as all additional costs (e.g. due packaging, transportation costs)

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including possible transportation and casualty insurance). Vendor shall take back packing material upon our request.

- (3) The agreed price is due 60 calendar days after complete delivery and performance (including a possibly agreed acceptance) as well as after receipt of correct invoice. If we pay within 30 calendar days, Vendor shall grant us 3% discount to net billed amount.
- (4) Invoices have to be presented in duplicate; the duplicate has to be clearly marked as such. The following information has to be specified on the invoice: date of invoice and of delivery/shipment, the billed service, especially article number and amount as well as our customer identification (date and number). If this information is missing, we shall be allowed to withhold the payment of the invoice.
- (5) We do not owe due date interests. Vendor's entitlement to payment of default interests shall remain unaffected. For occurrence of default the legal provisions shall apply. In any case Vendor has to send a reminder.
- (6) We shall remain entitled to the right to withhold and the right of retention as well as objection of contractual non-fulfillment. In particular we shall be entitled to withhold due payments as long as we still have claims against Vendor due to incomplete or defective deliveries.
- (7) Vendor shall only have the right to withhold or the right of retention in case of legally established or undisputed counterclaims.

**§ 6 Confidentiality and Reservation of Proprietary Rights**

- (1) We reserve proprietary rights and copyrights in illustrations, plans, drawings, calculations, standard operation procedures, product descriptions and any other documents. Such documents shall only be used for the contractual services and have to be returned to owner after termination of contract. Documents have to be kept confidential towards third parties; this obligation shall survive termination of agreement. Confidentiality obligation shall only end if and when the information contained in the ceded documents becomes publicly known.
- (2) The aforesaid shall respectively apply for material and substances (e.g. software, finished and semi-finished products) as well as for tools, drafts, designs and other objects that we provide Vendor for production. Such objects are, as long as not processed, to be separately stored at Vendor's expenses and to be secured from destruction and loss at the usual rates.
- (3) Procession, commingling or combination of provided objects by Vendor shall be made for us. If after procession, commingling or combination with objects of third parties their proprietary rights should remain, we acquire joint ownership at the new object in proportion of the value of our provided object to the other objects.
- (4) The transfer of ownership of Goods to us shall take place unconditionally and regardless of payment. Anyway, all forms of extended or prolonged reservation of property shall be excluded, so that reservation of proprietary rights, where applicable, effectively expressed by Vendor shall only apply until payment of Goods delivered to us and only for those Goods.

**§ 5 Faulty Delivery**

- (1) Unless otherwise provided herein, legal provisions shall apply regarding our rights in case of material defects and defects in rights (including mistaken and short delivery as well as improper assembly, defective assembly, operating or handling instruction) and in case of any other breach by Vendor.
- (2) Following the legal provisions Vendor especially shall be liable that Goods have the agreed condition as well as the agreed quality according to § 8 at the time of transfer of risk to us. As agreement of condition shall be deemed the product descriptions that – in particular through description or reference in our order – are subject to the contract or have been included the same way this GPT have been included to the contract. It does not matter whether the product description has been made by us or by manufacturer.
- (3) In deviation from § 442 Sec. 1 clause 2 German Civil Code we have unlimited claim of defects even if defect has remained unknown to us as a result of gross negligence.

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- (4) For the commercial duty of examination and the obligation to notify a defect the legal provisions (§§ 377, 381 German Civil Code) shall apply under the provision that our duty of examination is limited to defects that become evident during our incoming Goods inspection through external view including delivery documents and during quality control on a spot-checking basis (e.g. transportation damages, mistaken and short delivery). If acceptance is agreed, no duty of examination exists. Apart from that it is important to what extent an examination taking account of the circumstances of every case is possible. Our obligation to notify a defect for defects detected later remains unaffected. In all cases our reproof (notification of defect) shall be deemed as immediate and on time if it is received by Vendor within 14 days.
- (5) Vendor's expenses for proof and repair shall also be borne by him if it turns out no defect exists. Our claim for damages in case of unjustified request for remedy of the defect remains unaffected; we shall only be liable if we realized or grossly negligently did not realize that no defect existed.
- (6) If Vendor does not – upon our choice – repair the defect (improvement) or re-perform (replacement) within a time period set by us, we shall have the right to repair the defect ourselves and ask for reimbursement from Vendor or ask for an appropriate advance. If re-performance by Vendor is unsuccessful or unacceptable for us (e.g. due to special urgency, endangerment of operational safety or pending disproportionate harm) no setting of a term by us is necessary; Vendor has to be notified promptly, if possible beforehand.
- (7) Apart from that we have the right to reduce the price or to rescind from the contract in case of a material defect or a defect in rights according to legal provisions. Furthermore, according to legal provisions we have the right to claim damages and reimbursement for expenses.

**§ 8 Quality, Environment, Work Safety**

- (1) Vendor ensures that his delivery complies with the legal provisions, the generally accepted regulations of technology and the safety regulations and that the agreed technical data is fulfilled. Furthermore, he ensures that Goods comply with health and safety regulations, accident prevention regulations as well as the Law on Technical Working Equipment. Furthermore, he ensures that he especially complies with DIN norms, VDE regulations and any other recognized technical regulations.
- (2) In case of continuing obligation Vendor shall keep ordered Goods up to date with the latest technology. Technical amendments planned by Vendor that might have an impact on our production are to be agreed by us.
- (3) The contractual products must comply worldwide with all statutory licensing provisions, applicable safety requirements, and test, environmental and labelling regulations.
- (4) The supplier shall use the most environmentally sound and cost-efficient processes in line with current science and technology for manufacturing and for recyclability and usability of the contractual products.

**§ 9 Spare Parts**

Vendor shall enable or realize the ordering of spare parts for a period of at least eight (8) years after the last delivery, regardless of whether we have resold the Goods in unprocessed, or processed, or reprocessed state.

**§ 10 Suppliers' Recourse**

- (1) We are entitled to recourse claims within a supply chain as provided by law (suppliers' recourse according to §§ 478, 479 German Civil Code). In particular, we are entitled to the way of remedy (repair or re-performance) that we owe to our customer in each and every case. Our right of choice provided by law (§ 439 Sec. 1 German Civil Code) shall remain unaffected.
- (2) Before we admit or fulfill the damage claim (including reimbursement of expenses according to §§ 478 Sec. 3, 439 Sec. 2 German Civil Code) we will notify Vendor explaining the facts and

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asking for a written statement. Should this statement not be made within reasonable time and if no consensual solution can be reached, the damage claim we grant our customer shall be deemed owed; Vendor is encumbered with the proof of the contrary.

- (3) Our claims resulting from suppliers' recourse shall also apply if Goods have been processed by us or one of our customers before resale to end user, e.g. by installation into another product.

**§ 11 Producer Liability**

- (1) If Vendor is liable for product damage, he has to hold us harmless insofar as the reason is within his domain and organizational sphere and for which he himself is liable externally.
- (2) Within his obligation to exemption the Vendor has to reimburse expenses according to §§ 683, 670 German Civil Code that result from or in connection with the incurrence of third parties' services including product recalls made by us. If possible and to the extent possible, we will notice Vendor of content and extent of product recalls and give him the possibility to give his statement. Further legal claims shall remain unaffected.
- (3) Vendor has to give evidence of product liability insurance with an insurance sum sufficient to cover his business activities.

**§ 12 Proof of Origin, VAT Verification, Export Limitations**

- (1) On our request Vendor will make available, together with delivery or later, proof of origin with all requested information about object of delivery. Should any information in the proof of origin not be applicable any more, Vendor shall immediately inform us without being asked and in writing about changes and send us current proofs of origin.
- (2) The same applies for VAT verification in case of foreign deliveries or deliveries within the EU.
- (3) Furthermore, Vendor shall inform us immediately and in writing if a delivery is subject to delivery restrictions, especially if such restrictions exist under German law or lead to a delay of deliveries.

**§ 13 Limitation of Claims**

- (1) The parties' mutual requirements become time-barred following the legal provisions unless otherwise stated herein.
- (2) In derogation of § 438 Sec. 1 No. 3 German Civil Code the general limitation period for claims for defect shall be three (3) years after transfer of risk. If acceptance has been agreed, limitation period starts with acceptance. The limitation period of three years shall also apply to restitution of property of third parties (§ 438 Sec. 1 No. 1 German Civil Code); furthermore, claims arising from defects in rights will in no event become time-barred as long as the third party can still advance claims to us – especially due to lack of limitation of claims.
- (3) The limitation periods of purchase law including the aforementioned prolongation shall apply – within the limits of the law – for all contractual claims for defect. As far as we are entitled to extra-contractual claims for damages due to defect, the regular limitation period shall apply (§§ 195, 199 German Civil Code), unless the application of limitation periods of purchase law leads to a longer limitation period in individual cases.

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**§ 14 Choice of Law and Court of Jurisdiction**

- (1) For these GPT and all legal relationships between us and Vendor the laws of the Federal Republic of Germany shall apply, excluding all international and supranational (contractual) legal systems, especially the UN-purchase law. Prerequisites and effects of the reservation of title shall be subject to the law of the respective location of the subject-matter if according to that the choice of law made in favour of German law is not allowed or void.
- (2) Provided Vendor is a registered merchant as defined in the German Commercial Code (Handelsgesetzbuch), or a legal entity or a special trust under public law, our place of business Landshut, Germany, shall be exclusive – and also international - venue for all and any disputes directly or indirectly arising from the contractual relationship. Nevertheless, we also have the right to file a suit at the place of performance of the obligation to deliver.