

General Terms of Delivery

of VEGA Grieshaber KG (VEGA)

I. Validity

1. VEGA will provide deliveries and services exclusively on the basis of the following general terms of delivery. Any deviating terms of delivery of the contract partner will not be applicable even if they were not contradicted expressly in the individual case.
2. These general terms of delivery also apply for all future orders of the customer to VEGA without having to refer to this expressly again.
3. Note: The shipment/export of goods (products/software, technology) for the fulfilment of the contract is subject to European and German foreign trade legislation and the delivery may be subject to legal export control restrictions and prohibitions. The relevant legal regulations are especially the regulation (EU) No. 428/2009 (Dual Use Regulation) as well as its appendices, the Foreign Trade Act (AWG), the Foreign Trade Ordinance (AWV) and the German Export List in their respective valid versions. Moreover, European and national embargo regulations exist against certain countries and persons which, may forbid a delivery or subject it to official approval. Upon placement of the order, the customer undertakes to acknowledge and comply with the European and German export control regulations. In addition, it undertakes to provide the goods neither directly or indirectly for civil nuclear use in the countries named in § 9 par. 1 AWV (Foreign Trade Directive), unless it has the necessary permits.

II. Quotes, Prices

1. Quotes from VEGA are subject to alteration insofar as they are not expressly declared to be binding.
2. For quotes that are declared to be binding, a contract will come into effect when the quote is accepted by the customer within a period of two weeks from the date of the quote. VEGA will no longer be bound by the quote when this period expires. Otherwise, orders only result in a contract with confirmation by VEGA. Unless specified otherwise in its order, the customer is bound by this order for the duration of two weeks from receipt of its order by VEGA. This period will be extended accordingly in the case of special circumstances (e.g. necessary commercial and technical inquiries, special requests of the customer, company holidays). VEGA reserves the right to refuse orders or demand securities.
3. Unless agreed otherwise, customary or slight deviations in the quality, colour, dimensions or weight shall not be defects. The same shall apply for slight modifications in the design or in component parts in the course of technical improvements insofar as this does not adversely affect the useability of the goods for the customer.
4. VEGA's prices are exclusive of respective legal value-added taxes. They include neither the costs for packing, freight, customs duties, postage nor insurance or other shipment costs.

5. Unless agreed otherwise, the respectively valid VEGA prices shall apply. If an order is delivered later than six months after conclusion of contract for reasons for which the customer is responsible, the VEGA price valid at the time of delivery shall be applicable; if a different price to the VEGA price was agreed, this price will increase by the same ratio as the VEGA price was increased.
 6. Subsequent requests for changes by the customer shall only become binding for VEGA, if the two parties come to an agreement about their technical feasibility, necessary extended delivery times and reasonable compensation of the additional costs for VEGA.
 7. VEGA reserves all proprietary rights and rights to use relating to cost estimates, drawings and other quote documents. They may only be made accessible to third parties with VEGA's permission.
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III. Deliveries, Transfer of Risk

1. Unless agreed otherwise, all deliveries shall be made FCA, Schiltach, Incoterms 2010.
 2. Partial deliveries are allowed insofar as they are reasonable to the customer. They oblige the customer to payment of the proportional price.
 3. If shipment is delayed due to no fault of VEGA, the risk shall be transferred as soon as VEGA has notified the customer of the readiness for shipment, even if VEGA performs other services in the individual case, e.g. assumes shipment costs or performs shipment, even with its own transport personnel.
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IV. Delivery Periods and Dates

1. The delivery periods specified by VEGA are non-binding. The delivery period begins as soon as VEGA has received from the customer all documents, permits and releases necessary for executing the order as well as the agreed payments.
2. In case of force majeure or other circumstances for which VEGA cannot be held responsible (e.g. official measures, strike, lockout, operational disruptions, material procurement problems, traffic disruptions, etc. – even if they occur with sub-suppliers) the delivery periods – even if confirmed – will be extended accordingly. If, owing to such circumstances, it should become impossible or unreasonable for VEGA to provide the service, VEGA will be released from its contractual obligations. If the delivery is delayed by longer than one month, VEGA and the customer are entitled to withdraw from the contract with regard to the part that has not yet been fulfilled.
3. The above ruling IV.2 also applies, if the force majeure or other circumstances for which VEGA cannot be held responsible occur during an already existing delay.
4. The delivery deadline shall be met, when the goods have been loaded onto the means of transport provided by the customer before the period expires. If shipment is delayed by no fault of VEGA, the delivery deadline shall be met when VEGA has notified the customer of the readiness for shipment.

5. In case of delayed delivery, VEGA's liability shall be limited in case of negligence for every full week of the delay to 0.5% but overall to no more than 5% of the net invoice amount of the part of the delivery which the customer is unable to use in accordance with the contract as a result of the delay. The right to claim damage compensation instead of performance in accordance with VII.7 remains unaffected. The customer will inform VEGA about contract penalty obligations to its buyers upon conclusion of the contract at the latest.
 6. If shipment is delayed for reasons for which VEGA is not responsible, VEGA may charge at least 0.5% of the net invoice amount of the stored delivery per month for storage at its premises.
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V. Payments

1. Payments must be made within 30 days of the invoice date without deductions and at no cost to VEGA to the account stated on the invoice.
Invoices for services (repairs, service assignments, etc.) must be paid within 30 days of the invoice date without deductions. Payment shall only be on time, if the full amount is received on VEGA's account.
 2. In case of default of the customer, VEGA reserves the right to charge interest to amounting to 9 percentage points above the basic interest rate but at least 10% p.a.
 3. If fulfilment of the payment claim is endangered due to poor financial circumstances of the customer, which occur or become known after conclusion of contract, especially in the case of filing for insolvency or an objection to a cheque -, VEGA shall be entitled to deliver COD, demand payment in advance, withhold goods that are not yet delivered and to suspend further work on open contracts. VEGA shall further be entitled to withdraw from contracts signed with the customer upon expiry of a period of grace set by VEGA, if the customer does not make an advance payment nor offer other securities. VEGA reserves the enforcement of further rights especially in case of default by customer.
 4. The customer may only retain payment or set off costs in case of undisputed or legally confirmed claims.
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VI. Retention of Title

1. The delivered goods shall remain the property of VEGA until all existing or future claims from the business relation with the customer have been fulfilled. This shall also apply when individual or all claims are included in a current invoice, with the balance having been determined and acknowledged. Cheques shall only apply as fulfilment after their irrevocable encashment.

2. The customer shall only be entitled to re-sell the reserved goods in the orderly course of business, if it hereby surrenders to VEGA all claims against its buyers or third parties ensuing from the re-sale. The customer shall not be entitled to any other dispositions on the reserved goods, especially not to pledging or transferring of securities.

The customer hereby assigns any and all claims resulting from the re-sale of unprocessed reserved goods in full to VEGA. If customer re-sales reserved goods after they have been processed or joined – together with goods not belonging to VEGA-, the customer herewith assigns to VEGA any and all claims resulting from the re-sale in the amount of the value of the reserved goods together with all ancillary rights and with priority right. VEGA hereby accepts this assignment. If the customer and its buyer have an open account relation, the assignement shall not only be extended to the balance acknowledged in accordance with § 355 HGB (German Commercial Code) but also to any surplus from the open account relation which is immediately due for payment without declaration and acknowledgement. The customer shall be authorized to collect these assigned claims until further notice by VEGA. VEGA's entitlement to collect the claims itself remains unaffected; however, VEGA undertakes not to collect the claims and not to revoke the customer's authorisation to collect as long as the customer duly meets its payment and other obligations towards VEGA. VEGA may request that the customer shall disclose the assigned claims and their debtors to VEGA and that customer shall provide all information necessary for collection, hand over the corresponding documents and that customer shall notify its debtors about the assignment.

The customer shall perform any modification or processing of the reserved goods for VEGA as manufacturer without any obligations ensuing for VEGA. If the reserved goods are processed, joined, mixed or merged with other goods belonging to VEGA, VEGA shall attain co-ownership of the new goods at the ratio of the value of the reserved goods to the other processed goods at the time when they are processed, joined, mixed or merged. If the customer attains sole ownership of the new goods, the customer shall grant to VEGA co-ownership of the new goods in the ratio of the value of the processed, joined, mixed or merged reserved goods and shall keep these for VEGA free of charge.

3. The customer may resell goods delivered by VEGA only under the provision that it will reserve title to these goods until full payment of the purchasing price has been made, and that it will agree with its buyers that, if the reservation of title should expire due to re-sale, joining, processing or mixing, it shall be replaced by title to the newly resulted goods or the resulted claims.
4. In the event of payment default or filing for insolvency proceedings on the customer's assets, VEGA shall be entitled to demand immediate surrender of the reserved goods. The request for surrender will not constitute a cancellation of the contract. At the same time, all claims shall immediately become due for payment.
5. If the value of the existing securities exceeds the claims to be secured by more than 20 %, VEGA shall be obliged to release the securities which exceed the value of 120% of its claims. VEGA shall be entitled to choose which securities are to be released.

6. The customer shall handle and maintain the reserved goods with due care. It shall take out adequate replacement value insurance against their loss and damage and shall provide proof of conclusion of the insurance contracts and orderly payment of the premiums upon demand. The customer herewith assigns the claims from the insurance contracts to VEGA subject to the transfer of title of the reserved goods. VEGA herewith accepts the assignment.
 7. Should third parties cease reserved goods or any claims in their stead, customer shall immediately notify VEGA and submit all corresponding documents. The customer shall hold VEGA harmless from all costs incurred by VEGA in the defence of a seizure, unless they can be recovered from the third party.
 8. If and to the extent that reservation of title as stipulated above should not be valid under the jurisdiction of a country in which the delivered goods are located, the customer shall upon VEGA's request provide for equivalent securities. Should the customer not comply with such request within reasonable time, VEGA may demand immediate payment of all open accounts without consideration of any agreed payment terms.
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VII. Warranty and Liability

1. VEGA shall provide the warranties described below for any material defects and defects in title with the exclusion of further obligations. § 377 HGB (Commercial Code) shall apply.
2. The customer may only exercise any rights owing to material defects if it has orderly satisfied its legal duty to inspection and objection.
3. Parts that were provably defective at the transfer of risk will be repaired or re-delivered at VEGA's discretion. Replaced parts shall become the property of VEGA and must be returned upon request.
4. VEGA shall bear the costs of replacement deliveries including shipment to the original contractually agreed delivery destination. If shipment is made to a different destination at the customer's request, the customer shall pay the incurred extra costs.
5. If repair or replacement is impossible or fails or is not executed by VEGA despite a reasonable period of grace, the customer may demand a reduction of the contract price, withdraw from the contract in case of substantial defects and demand damage compensation in accordance with paragraph 8. VEGA shall only be liable for any damage resulting from negligence on VEGA's side.
6. VEGA provides no warranty for damages which occur by no fault of VEGA due to unsuitable or improper use, faulty installation or commissioning, excessive stress, natural wear and tear, incorrect or negligent handling, unsuitable operating media, chemical, abrasive, electro-chemical or electrical influences (unless these are provided for in the contract).
7. For the infringement of any rights of third parties due to use of the goods outside Germany, VEGA shall only be liable, if such use is agreed with the customer or was to be expected under the specific circumstances at the time of conclusion of contract. In this case VEGA shall only be responsible if and to the extent that such use violates any rights existing abroad at the time of conclusion of the contract and if VEGA knew these rights or did not know them due to gross negligence at the time when the contract was concluded.

8. VEGA Shall be liable according to statutory law in case of intent, gross negligence, fraudulent non-disclosure of defects, or in cases of injury to life, body or health or under statutory product liability law. In case of guarantees assumed by VEGA, VEGA shall be liable in accordance with the agreed guarantee provisions, otherwise in accordance with statutory law. In all other cases of simple negligence, VEGA shall only be liable in case of breach of cardinal contractual obligations posing a threat to the attainment of the contractual purpose. Such liability shall be limited – unless not stipulated otherwise in section IV.4 – to foreseeable damage typical for the contract.
9. Customer's claims based on defects shall become statute-barred 24 months from the transfer of risk, all other claims of customer shall become statute-barred 24 months from the commencement of the statutory period of limitation. In cases where VEGA is liable based on a guarantee assumed, the limitation period stipulated in the guarantee provisions shall apply. If VEGA is liable due to the fraudulent non-disclosure of a defect, due to statutory product liability laws, due to injury to life, body, health, or due to intent or gross negligence, the statutory provisions on limitation shall apply.
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VIII. Confidentiality, Protection Rights

1. The parties mutually undertake to exercise strict confidentiality towards third parties. In particular, the customer shall treat as strictly confidential all company and trade secrets, secret manufacturing processes and any other confidential commercial and operational facts, documents and information of VEGA which become known to it in connection with the order and shall not disclose them to third parties.
 2. Both parties shall impose the aforementioned obligations on their staff and on any third parties who are involved in the order or who have access to confidential VEGA information.
 3. VEGA reserves all rights to use for any and all samples, cost estimates, drawings, sketches and any other information – also in electronic form. The customer may use these and any other property rights in connection with the object of delivery only within the scope of the contract.
 4. The customer shall notify VEGA immediately if a claim is made against it by a third party due to an alleged infringement of any property rights by VEGA products or if heit finds out about an infringement of VEGA property rights by a third party.
 5. If technical drafts are handed over to the customer in the course of an invitation to tender or of another quote and the corresponding order is not placed with VEGA, these drafts must be returned immediately and may not be made accessible to third parties.
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IX. Place of Fulfilment, Place of Jurisdiction, Applicable Law

1. Place of fulfilment is Schiltach.
 2. Exclusive place of jurisdiction is Offenburg or also the headquarters of the customer at VEGS's discretion.
 3. German law applies exclusively. The applicability of UN Purchasing Law (CISG) is expressly excluded.
 4. If individual conditions of these terms of delivery are not effective, the other conditions will remain unaffected. The contract parties will replace the ineffective condition by mutual agreement by an effective and reasonable condition which comes closest to the economic content of the original condition.
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