

General Conditions of Purchase

Preamble

The following conditions apply to our orders, as far as other conditions were not agreed on in writing. Alternative provisions of the supplier are only valid when they are specifically approved by us; without written approval, they are not part of the subject matter of the contract even if they are stated in the order acceptance. The same is valid if we completely or partly accept or make payments for the ordered product; the execution of the order by the supplier is regarded as a recognition of our conditions listed below – even without a written confirmation. These conditions also apply to all future transactions with the supplier and only to registered merchants.

We expressly point out that we are committed to our social responsibility within the context of our business activities worldwide. For this purpose VEGA has drawn up a binding code of conduct.

Moreover, we expect the same from our suppliers, especially when it comes to working conditions, social and environmental compatibility as well as transparency, trustful collaboration and dialogue.

I. Offers

Offers are binding and must be issued free of charge.

II. Orders, Conclusion of Contract

1. Orders and other statements are only binding when they are issued or confirmed by us in writing.
2. The supplier must confirm our order in writing within 10 days. An incoming confirmation after this period is regarded as a new binding offer.

III. Prices

1. The prices are fixed prices as far as a price escalator clause or a price reservation is not expressly confirmed by us. Only with our written consent may an order be executed at prices higher than those we specified.
2. If daily current prices are agreed on for deliveries, the price valid on the day of material receipt shall apply.
3. The prices stated mean free delivered to our works in Schiltach, packing and freight costs included. If anything divergent from this is agreed on, we accept only the most favourable freight charges. All costs arising up to the time of handover to the freight forwarder (including loading and cartage) are born by the supplier. We reserve the right to accept or reject short deliveries or overdeliveries.

IV. Invoice and Payment

1. Invoices should be not enclosed with the shipment but submitted separately after delivery, for every order separate with a statement disclosing the VAT (value added tax) and specifying our order number and the order date.

2. Payments are carried out with payment methods of our choice – refinancing note (check / bill of exchange) are also permitted – within 14 days with 3% cash discount or within 30 days net. In payment with customer bills of exchange or promissory notes, we bear the discount charges to the conditions obtainable on the day the bill of exchange is submitted.
 3. In principle, payment periods begin on the day we receive the invoice, but not before we receive the merchandise or the services are rendered.
 4. We categorically refuse payment via cash on delivery.
 5. Our payments are always carried out subject to an adjustment should complaints arise afterwards. In case of warranty-covered defects or damage, we have the right to refuse payment until the defects are properly rectified.
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V. Assignment, Settlement

1. The supplier is not authorized to assign his claims against us or to let them be collected by third parties without our previous written consent, which may not be refused unjustly. If there is a prolonged retention of title, our consent can be considered as granted. Should the supplier hand over his monetary claims against us to a third party, contrary to clause 1 without our consent, the assignment is nonetheless effective. We can, however, make payment with discharging effect to the supplier or to the third party, according to our choice.
 2. The supplier is only authorized to charge against claims acknowledged by us or legally valid claims or assert the right of retention due to such claims.
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VI. Delivery Item

1. Our order alone is decisive for the contents, type and size of the delivery and the provided service. We have the right at any time to demand changes in the method of execution as well as the correction of obvious writing errors or miscalculations and other mistakes.
 2. The drawings, descriptions, etc. belonging to the order are binding for the supplier. He must, however, check them for possible discrepancies and point out discovered or suspected faults to us immediately in writing. The supplier remains solely responsible for the documents he has prepared, especially drawings, plans and calculations, even if these have been approved by us.
 3. As far as no further-reaching requirements were laid down in the order, the delivery items must be delivered in customary quality and in compliance with DIN, VDE, VDI or other equivalent standards, as far as these are relevant. The delivery items have to be produced and equipped in a way that complies with currently valid safety regulations, particularly accident prevention rules as well as ergonomic principles.
 4. A detailed documentation according to CE standard has to be enclosed with the delivery item (as an integral component). If the country of origin of the delivery item is not Germany, a certificate of origin is required.
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VII. Provision of Materials, Production Equipment

1. The items provided by us are to be processed and handled as intended on our behalf and remain our property in every stage of processing and handling. When they are processed with items not belonging to us, our co-ownership of the items newly produced is of the same proportion as the value of our provided items to the sum of all items used in the production process, including the supplier's expenditures for the

processing. With regard to this, the supplier also holds the items in safe custody for us free of charge. The same applies if, through intermingling or amalgamation, our property as such should effectively disappear. We must be informed immediately about any legal or actual damage to the provided items.

2. The supplier is liable for the loss of or the damage to the provided items. In case of coincidental loss or coincidental damage to the provided items, he does not have any claim to a reimbursement of his expenditures for the processing or handling of these items.
3. Production equipment, like models, samples, tools, gauges, forms, devices, drawings and the like, which the supplier gets from us or are manufactured by the supplier or by third parties for him according to our specifications, may not be sold, pawned or passed on to third parties in some other way or used or copied in any way for third parties without our written consent. The same applies to items produced with the help of this production equipment; they must be delivered exclusively to us unless we agree in writing to an alternative disposition. After the order has been processed, the production equipment has to be immediately returned to us in orderly condition.
4. Tools, forms, devices, stencils, films, clichés, drawings, engravings, models, samples, etc. provided by us or ordered remain our property or become our property at the time of acquisition or after being manufactured; the handing over is waived when the supplier holds the items in safe custody for us. The items must be recognizably marked as our property, thoroughly cared for and repaired as well as sufficiently insured. Paragraph 690 of BGB (German Civil Code) does not apply here. The property rights also entitle to us to commit the items to third parties for production. This applies particularly when the supplier has production difficulties. If we should ask the supplier to give back the items, he must comply with our wish immediately, as he has no right of retention. Nevertheless, we are willing to leave the items in the possession of the supplier as long as he carries out the deliveries as per the order, especially if they are on schedule and at competitive prices.
5. If the supplier violates the regulations of paragraphs 3 and 4, we are entitled, irrespective of other rights, to withdraw from the contract completely or partly, as well as demand compensation instead of performance or a reimbursement of futile expenditures.

VIII. Rescission of Contract

1. We are entitled to withdraw completely or partly from the contract without compensation if the financial standing or delivering ability of the supplier deteriorates to the extent that a fulfilment of the contract is in our opinion endangered, the supplier suspends his payments, insolvency proceedings over his assets are initiated or the opening of insolvency proceedings is declined for lack of assets.
2. If the fulfilment of our contractual duties is made impossible or extremely difficult through circumstances for which we are not responsible – acts of god in particular – we can cancel the contract completely or partly or demand execution at a later date, without entitling the supplier to file any claims against us.

IX. Delivery date

1. Delivery dates or delivery periods are binding. Delivery periods begin on the date of order.
2. The day of delivery is the day the ordered item and the shipping papers arrive at the receiving centre stipulated by us or the service is rendered there.
3. If the supplier sees he will be unable to meet the delivery date or deliver by the end of the delivery period, he must inform us immediately in writing about the reason and the expected overrun.

4. An overrun of the delivery date or delivery period will trigger legal consequences, unless the overrun is provably due to acts of god or labor disputes directly affecting the supplier. In such a case of delay, the supplier is especially obliged to make good for the damage caused. The acceptance of belated deliveries does not imply a relinquishment of compensation from the supplier. If the delivery date or the delivery period is overrun, we are entitled to withdraw from the contract after the expiration of a reasonable grace period. Besides rescission, we are entitled to demand compensation instead of performance or a reimbursement of futile expenditures, unless the supplier is not responsible for the overrun.
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X. Packing, Shipping, Acceptance

1. As far as it is necessary or appropriate to pack the delivery item, the supplier has to provide for sufficient packing at his expense.
 2. We will pay for packing material, in addition to the agreed price of the delivery, only if payment for this was expressly agreed on. We reserve the right to return valuable used packing material to the address of the supplier and to backcharge for the full rental costs or value of the packing material.
 3. Deliveries must be made to the receiving centre stipulated by us. Deliveries for which we have to pay freightages completely or partly must be transported via the cheapest shipping method available and as the most favourable type of freight.
 4. The risk passes to us as soon as deliveries including assembly or installation are accepted by us, or in the case of all other deliveries, as soon as the delivery item arrives at the specified receiving centre. Until then, shipping and delivery are carried out at the risk of the supplier, unless we are in default of acceptance.
 5. We assume the costs of a transit or breakage insurance only after a written agreement is made concerning it.
 6. Notifications of dispatch must be submitted immediately after the departure of every individual delivery. A delivery note must be enclosed with every shipment. Our order numbers must be indicated in the shipping documents.
 7. If no orderly shipping documents are present when the delivery item arrives or if our order numbers are not indicated correctly in the shipping documents, all additional costs resulting from this will be charged to the supplier; in such cases we are also entitled to refuse the delivery at the expense of the supplier.
 8. Furthermore, we can refuse to accept the delivery item if an act of god or other circumstances beyond our control, including labor disputes, make our accepting it impossible or unreasonable. In such a case, the supplier has to store the delivery item at his expense and risk.
 9. In the cases mentioned in paragraphs 7 and 8 we do not fall into default of acceptance.
 10. If deliveries not accepted by us or faulty goods are sent back, the return transport is carried out at the risk of the supplier. The equivalent value of the return shipment is charged to the supplier.
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XI. Warranty

1. The warranty obligations of the supplier are determined by legal regulations, as far as some other regulation is not mentioned in the following. We have the right to demand, according to our choice, the rectification of the deficiency or the delivery of a flawless product. In urgent cases, we are authorized straight away to carry out, at the expense of the supplier, the rectification of deficiencies ourselves or let that be done by a third party or obtain a substitute product elsewhere. If the supplier is in default of his warranty obligations, we have the right to withdraw from the contract.

2. The substitute delivery must come without freight and packing charges. The return of unusable goods will entail no freight and packing costs for us. All costs involved in rectifying deficiencies shall be at the expense of the supplier.
 3. The warranty period is 2 years as long as nothing else is agreed on. It shall be extended by the same amount of time the product cannot be used due to deficiencies. A new 2-year warranty period starts when a substitute is delivered.
 4. Deficiencies that first appear during processing or initial use of the delivered product can still be immediately reported by us after their discovery. In such cases, the supplier shall not object to the belated customer complaint. Our payments do not mean an unconditional acceptance of the product.
 5. If, because of a delivery of flawed merchandise, a complete inspection exceeding the scope of the usual incoming goods control becomes necessary, the supplier shall carry the costs of it. In urgent cases we are entitled to rectify the discovered flaws ourselves at the expense of the supplier.
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XII. In-process Inspections, Technical Approval

1. We reserve the right to check or to have someone else check during the manufacturing process (in the supplier's plant and in those of his suppliers) and before delivery the quality of the used materials, the dimensional and quantity accuracy and other quality features of the manufactured parts as well as compliance with the other specifications of the order.
 2. If we have reserved the right of technical approval of the completed delivery item at the supplier's plant, either by us or a commissioned third party, then we or the commissioned third party must be informed about the readiness for approval in writing 14 days before the delivery item is to be shipped. The relevant approval costs are born by the supplier.
 3. The in-process inspections and/or the technical approval do not absolve the supplier from his performance and/or warranty obligations.
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XIII. Product Liability

1. If damage is caused by a defect of the supplier's product, he is obliged to exempt us at first request from the compensation claims of third parties.
 2. In this context, the supplier is also obliged to refund to us possible expenditures which result from or are in connection with a recall program carried out by us. We will inform the supplier – as far as is possible and reasonable – about the contents and extent of the recall measures to be carried out and give him the opportunity to comment on it.
 3. The supplier commits himself upon our request to take out without delay a product liability insurance policy with an insured sum that will be determined by us, but at least a flat-rate insured sum of €3 mill. per person / property damage. If we are entitled to further-reaching compensation claims, these remain unaffected by this.
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XIV. Trademark Rights

- The supplier issues the assurance that through the delivery and use of the ordered goods the patents or trademark rights of third parties are in no way infringed on. He exempts us completely from the claims of proprietors at first request and is obliged to support us in fending off the claims of third parties and to

assume all costs involved. This also applies to deliveries from third parties that the supplier passes on to us.

XV. General Provisions

1. The laws of the Federal Republic of Germany apply in all legal matters resulting from or in connection with our orders.
2. The place of fulfilment is Schiltach. Insofar as the supplier is a merchant, the place of jurisdiction is also Schiltach, also for bill of exchange and check complaints. We also have the right to sue the supplier at his general place of jurisdiction.
3. We save the supplier's data in our electronic data processing system.
4. Should individual provisions of these conditions or the supply contract be or become ineffective, the validity of the other provisions will not be affected by it. The ineffective provisions shall be reinterpreted so that the legal and economic purpose intended by them is achieved. The same applies if, during the execution of the contract, a contractual loophole needing supplementation comes to light. In this case the contracting parties are obligated to immediately supplement the ineffective provisions with legally effective agreements or in some other way close the gap in the contract.

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