

**General Delivery and Service Terms (GDST)  
of Veldener Präzisionstechnik GmbH**

**§ 1 Validity**

- (1) All our deliveries, performances and offers shall only be made in line with these General Terms & Conditions for Delivery and Service (in the following: GDST). They are part of all our contracts that we close with our contractual partner (in the following: Customer) regarding our deliveries or services. They shall also be valid for all deliveries, services and offers in the future, even if not agreed upon again.
- (2) Customer's terms & conditions shall not apply, even if we do not object to their use in every single case. Even if we make reference to a written communication that includes the Customer's terms & conditions or that refers to such, this does not represent an agreement of the application of those terms & conditions.
- (3) The present Terms and Conditions shall only apply if Customer is a merchant within the meaning of § 14 BGB (German Civil Code), legal entity under public law or a federal special fund under public law.

**§ 2 Offer and Conclusion of Contract**

- (1) All our offers are subject to change and non-binding unless otherwise explicitly declared or unless a certain term to accept the offer has been included. We can accept orders or appointments within fourteen (14) days. This usually will happen via remittance of an order confirmation. Should our order confirmation deviate from the purchase order or the Customer's order with regards to content, also these deviations shall become content of the contract if Customer does not object within 2 weeks after the date of order confirmation. In case of objection, no contract will be concluded.
- (2) For the privity of contract between us and the Customer the agreement concluded in writing as well as the present GDST, the content thereof continuously will be specified in the order confirmation, shall be solely authoritative. The contract shall reflect all understandings between the contractual parties regarding the subject of the contract completely. Oral covenants made by us before conclusion of this contract shall not be binding. Oral covenants made by the parties shall be replaced by the written agreement if they do not expressly state that the parties shall remain bound by them.
- (3) Amendments and alterations of the made agreement, including this GDST, need to be made in writing in order to be valid. With exception of CEOs or proxy holders our employees are not authorized to make deviating oral covenants. Transmission per telefax shall be deemed sufficient in order to fulfill the required written form; transmission per telecommunication devices, especially email shall not be sufficient.
- (4) Specifications made by us regarding the item of delivery or service (e.g. regarding weight, measures, serviceability, load capacity, tolerances and technical data) as well as our descriptions of the item (e.g. drafts, illustrations, photos) are only approximative in nature, as far as no exact match is necessary for the usability as it has been provided for in the contract. They do not represent guaranteed quality features but only descriptions or characterizations of delivery or service.
- (5) Technical deviations in fabrication and deviations usual in trade which occur due to legal provisions or represent technical improvement as well as replacement of components with adequate parts are admissible as far as they do not influence the usability for the contractually agreed purpose. They especially cannot represent a material defect.
- (6) We reserve ownership rights and copyright for all our given offers and quotes as well as all drawings, illustrations, calculations, brochures, catalogues, models, tools and other documentation and means. Without our prior explicit consent Customer must not grant access to thirds to these objects, publish, use or copy them himself or have them copied by thirds. At our request Customer has to return objects completely to us and has to destroy any made copies if these are not required any more for the proper transaction/business or in case negotiations to not lead to the conclusion of a contract.

**General Delivery and Service Terms (GDST)  
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**§ 3 Prices and Payment**

- (1) Prices shall be valid for the volume of delivery and services described in our order confirmations. Additional or extra performances will be billed separately. Prices are in Euro ex works and do not include packaging, VAT, customs duty, in case of exportation, or fees and any other public charges.
- (2) Amounts invoiced are due within eight (8) days without any deduction, unless otherwise agreed in writing or stated on the invoice. Authoritative for the date of payment is the reception by us. Checks shall not be considered as payment until after they have been cashed. Should Customer not pay at maturity, for amounts due interests in the amount of 5% per year starting with the date of maturity will be charged. Notwithstanding the aforesaid, the right to claim higher interests or further damages in case of default shall remain unaffected.
- (3) Offsetting with counterclaims by Customer or retention of payments due to such rights shall only be admissible as far as counterclaims are undisputed or legally determined.
- (4) We have the right to realize or render outstanding services against advanced payment or provision of a security only, if after conclusion of the contract we become aware of facts that are suited to considerably reduce the Customer's credit rating and that endanger Customer's fulfillment of payments arising out of the respective contractual relationship (including individual orders under the same master agreement).

**§ 4 Delivery, Term of Delivery and Service**

- (1) Delivery shall be ex works.
- (2) Delivery terms and dates tentatively promised by us will only be approximative unless a fixed term or date has been confirmed or agreed. As far as shipment has been agreed, delivery periods and delivery terms refer to the time when goods are delivered to carrier, shipper or to any third person assigned with transportation.
- (3) Irrespective of our rights for the case of default by Customer, we may ask for an extension or a postponement of delivery term for the time period during which Customer is in default with his obligations towards us.
- (4) We are not liable for impossibility of performance or late performance if this is due to force majeure or other events unpredictable at the time of contractual conclusion (such as any business disruption, problems with material and energy supply, transportation delay, strike, lawful lockout, lack of manpower, energy or raw material, problems obtaining necessary official authorizations, or absence of, wrong or delayed delivery by suppliers), which we are not responsible for. If such events considerably complicate our performance or make it impossible and if the obstruction is not transitional we have the right to rescind from the contract. In case of temporary disruptions delivery periods will be extended or postponed for the period of disruption plus an appropriate lead time. If acceptance of delivery or performance cannot be expected of Customer due to delay he can rescind from the contract with immediate written statement addressed to us.
- (5) We shall be entitled to deliver by installments if installment is useful to Customer within the contractual scope, the remaining installment is ensured and if no additional expenditure or costs arise to Customer.
- (6) In case we owe delivery of a certain amount, short deliveries or excess deliveries of up to 10% of the amount due are considered to be contractually conforming.
- (7) If we are delayed with one of our services or if one of our services becomes impossible, no matter for what reason, our liability shall be limited according to § 8 of these GDST.

**§ 5 Place of Performance, Shipping, Packing, Passing of Risk, Acceptance**

- (1) Place of performance for all contractual obligations shall be the seat of our company unless otherwise agreed. If we also owe assembly and installation works, place of performance is the place where the works are to be performed.
- (2) The way of shipment and the packing shall be subject to our obligatory discretion.

**General Delivery and Service Terms (GDST)  
of Veldener Präzisionstechnik GmbH**

- (3) Passing of risk to Customer shall take place with handling over of item of delivery, or performance, respectively, to freight forwarder, carrier or third party designed to perform delivery (start of process of loading shall be relevant). This shall also apply if installments take place or if we have taken over other performances (e.g. shipping, assembly, installation) as well. Should shipment or handling over get delayed due to circumstances caused by Customer, risk will pass the day the object of delivery is ready for shipment and we have notified Customer hereof.
- (4) Storage fees after transfer of risk shall be borne by Customer. If we store the goods, storage fees of 0.25% of the net billable amount for the goods to be stored arise per expired week. The parties reserve the right to claim and proof further or less storage costs.
- (5) We will only insure delivery against theft, breakage, damage through transport, fire or water or other insurable risks at Customer's explicit wish and at his costs and expenses.
- (6) As far as acceptance has to take place, objects or services shall be deemed accepted if
  - delivery, and as far as assembly and installation is owed, these too, are finished, we have notified Customer hereof pointing out the deemed acceptance as provided for in this § 5 Sec. 6 and have requested acceptance,
  - after delivery or assembly or installation, respectively, twelve (12) work days have elapsed or if Customer has started to use the object or service and if in this case six (6) work days have elapsed since delivery, assembly or installation respectively, and
  - if Customer has failed to accept within the set time frame due to a reason other than a defect reported to us, that renders impossible or seriously affects the use of object or service.

**§ 6 Warranty, Material Defect**

- (1) Warranty terms shall be one (1) year from delivery, or in case acceptance is necessary, from acceptance. In case statutory law provides for longer warranty terms, these statutory longer terms shall apply.
- (2) Customer or third party assigned by Customer shall undertake to thoroughly inspect delivered goods without delay. The goods are deemed accepted if Customer does not give us written notice of obvious defects or other defects, which could have been discovered during an immediate, thorough inspection, within seven working days after delivery of object or service or otherwise within seven working days after notice of defect or any earlier moment to which defect could have been detectable to Customer upon normal use and without closer inspection. Upon our request, objected object or service has to be returned to us carriage paid. In case of entitled notice of defect we will reimburse the costs of the most inexpensive manner of shipment; this shall not apply if costs increase because object or service has been brought to another place after delivery by us.
- (3) In case of material defects of delivered objects we shall have the right to, upon our choice, repair or re-perform within reasonable time frame. In case of failure, i.e. impossibility, unacceptability, refusal or undue delay of repair or re-performance, Customer can rescind from the contract or reduce billed price reasonably.
- (4) If a defect is caused by us, Customer can claim damages according to the provisions of § 8.
- (5) In case of defects of other manufacturers' work pieces, which we cannot repair due to licensing or other reasons, we will, upon our choice, assert our warranty claims against manufacturer and supplier for the account of Customer or assign the warranty claims to Customer. In case of such defects warranty claims against us shall only be given if, upon fulfillment of all other conditions and provisions of these GDST, legal enforcement of aforementioned claims against manufacturer or supplier have been fruitless or are forlorn, e.g. because of insolvency. During the period of litigation the limitation of actions regarding the Customer's warranty claims towards us is suspended.
- (6) Warranty is void if Customer, without our agreement, changes, or assigns third parties to change, objects and services and if as a result thereof, remedy of defects becomes impossible or unreasonably complicated. In any case Customer has to bear the costs of remedy arising from the change.

**General Delivery and Service Terms (GDST)  
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- (7) A delivery of used goods agreed with Customer for every particular case shall not be subject to any warranty.

**§ 7 Indemnification**

- (1) According to this § 7 we take responsibility for the fact that every object or service is exempt of all third party industrial property rights or copyrights. Every contractual party will immediately notify the other party in writing if claims due to infringement of such rights are being filed against them.
- (2) Given the case that an object or service infringes a third party's industrial property right or copyright, we will, upon our choice and expenses, modify or replace such object or service that there is no longer an infringement of third party's rights, but that, nevertheless, the object or service fulfills contractually agreed functions, or we will acquire the right for the Customer by way of license agreement. If this is not possible within a reasonable time frame, Customer has the right to rescind from the contract or to reduce the price reasonably. Any Customer's claims for compensation are subject to § 8 of this GDST.
- (3) In case of infringements by other manufacturer's products delivered by us, we will upon our choice assert our claims against manufacturer and pre-supplier for account of Customer or assign our rights to Customer. In these cases claims against us shall only exist according to § 7, if legal enforcement of aforementioned claims against manufacturers and pre-suppliers has been unsuccessful or fruitless, e.g. because of insolvency.

**§ 8 Liability for Damages Due to Fault**

- (1) Our liability for damages, no matter for what legal reason, especially due to impossibility, default, defective or wrong performance, contractual breach, breach of duties during contractual negotiation and unlawful act, if it depends on fault, is limited in accordance with § 8.
- (2) We shall not be liable in case of slight negligence of our legal representatives, employees or other vicarious agents, unless in case of breach of an obligation essential to the contract. Essential to the contract are the obligations to timely perform as well as duties to advice, of protection and care which shall ensure Customer the contractual use of treated work pieces or the protection of Customer's personnel's body or life or the protection of his property from serious damage.
- (3) If we are liable for damages in accordance with Sec. (2), this liability is limited to defects that we had foreseen as possible result of a contractual breach at the time of conclusion of agreement or that we should have foreseen applying all due diligence. Additionally, indirect and consequential damages that result from defects in treated work pieces are only reimbursable if such damages are typically to be expected under conventional use.
- (4) In case of liability for slight negligence our obligation to indemnify for loss of property and further resulting damages is limited to 1M Euro per case, even if the damage results due to a violation of essential contractual obligations.
- (5) The aforementioned exclusion and limitation of liability shall apply equally for our organs, legal representatives, employees or other auxiliary persons.
- (6) If we give technical information or advice and if this information or advice does not belong to our due and contractually agreed performance, this will happen free of charge and under exclusion of any liability.
- (7) The limitations of this § 8 shall not apply to limitation for willful act, for warranted characteristics of state, for injury of life, body or health or for liability according to the German Product Liability Act (Produkthaftungsgesetz).

**§ 9 Retention of Title**

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- (1) Until complete payment of all our present or future debts arising from this contract and a current business relationship (secured claim) we reserve the right to retention of title of object or service (goods subject to retention of title).
- (2) These goods subject to retention of title must neither be pledged to third parties before complete payment of secured claims nor be transferred as a security. Customer has to notify us immediately in writing if third parties gain access to goods subject to retention of title.
- (3) In case of contractual breach by Customer, especially if Customer does not pay due agreed price, we are entitled to rescind from the contract according to legal provisions and to reclaim back the goods subject to retention of title due to retention of title. The demand of return does not include the rescission from the contract; in fact we have the right to merely demand the goods subject to retention of title and to reserve the right to rescind from contract. In case Customer does not pay the due agreed price, we may only assert the rights if we previously grant Customer a reasonable period of time for payment or if the setting of such a deadline is not necessary according to legal provisions.
- (4) Customer has the right to sell and/or process the goods subject to retention of title within the regular business routine. That case given, the provisions of the following sec. 5 to 8 shall apply.
- (5) The retention of title extends to products resulting from processing, commingling or combination of our goods subject to retention of title at their full value, and we shall be deemed to be the manufacturer. If for cases of processing, commingling or combination with goods of a third party its proprietary right remains, we acquire joint ownership in proportion to the invoice value of processed, commingled or combined goods. Apart from that, for the resulting product the same shall apply as for the goods subject to retention of title.
- (6) The Customer already completely, or in the amount of our co-ownership respectively, assigns to us the claims against third parties resulting from the resale of goods or products as collateral as provided for in sec. 5. We accept the assignment. The Customer's obligations described in sec. 2 shall also apply with regard to assigned claims.
- (7) In addition to us Customer shall have the right to collect the claim. We shall not collect the claim as long as Customer meets his payment obligation towards us, does not default, does not apply for insolvency proceedings and no other incapacity to pay. Should this be the case we can ask Customer to notify us of the assigned claims and the respective debtor, that he gives us all necessary information, hands over all relevant documents and notifies debtor (third) of assignment.
- (8) Should the value of securities exceed our claims by more than 10%, at Customer's request we will release the securities upon our choice.

**§ 10 Miscellaneous**

- (1) Place of jurisdiction for any conflict resulting from the business relation between us and the Customer shall upon our choice be Landshut or the seat of the Customer. For claims against us, Landshut shall be the sole place of jurisdiction. Mandatory legal provisions regarding exclusive jurisdiction shall remain unaffected.
- (2) The relationship between us and the Customer shall only be subject to the laws of the Federal Republic of Germany. This shall also apply, if individual documents (e.g. offers, order confirmations) are not written in German language.
- (3) Should there be gaps in the contract or in these GDST, the parties agree that such provisions shall be deemed to be agreed that parties would have agreed according to the economical aims of the contract if they had been aware of the loophole.
- (4) Customer acknowledges that we save the data arising from this contractual relationship according to the provisions of the Federal Data Protection Act (Bundesdatenschutzgesetz) for data processing and that we reserve the right to pass the data on to thirds (e.g. insurances) if necessary for the completion of the agreement.