

## **General Terms and Conditions of Purchasing of LT Ultra-Precision Technology GmbH**

(Revision: January 2021)

### **1. Scope of validity**

- 1.1. These General Terms and Conditions of Purchasing apply to all products and services of the Contractor supplied to the Principal, unless other agreements have expressly been made.
- 1.2. General Terms and Conditions of Trade of the Contractor which contradict or supplement the business terms and conditions of the Principal are only valid to the extent that the Principal has expressly agreed to them in writing.

### **2. Orders**

- 2.1. Orders from the Principal and changes or supplements to the orders must be in written or text form.
- 2.2. The Principal is entitled to revoke orders free of charge should the Contractor fail to confirm the order to the Principal in unchanged form within two weeks after receipt.

### **3. Deadlines and consequences of exceeding deadlines**

- 3.1. Agreed deadlines for the delivery of goods and the provision of services are binding. Should delays occur or be anticipated, the Contractor shall notify the Principal immediately in written or text form.
- 3.2. Should the Contractor still fail to deliver the goods or provide the service within a reasonable period of grace set by the Principal, the Principal shall be entitled to refuse acceptance, withdraw from the Contract and/or demand compensation. The Principal is also entitled to withdraw even if the Contractor is not responsible for the delay. The additional costs incurred by the Principal due to the default of the Contractor, in particular due to purchasing from another supplier which is necessary because of the delay, shall be borne by the Contractor.
- 3.3. The Contractor shall pay, on failure to comply with an agreed (completion date) for which the Contractor is responsible, a contractual penalty to the amount of 0.5% of the agreed net order amount per working day of the delay, however up to a maximum of 5% of the net order amount. The assertion of damages which go beyond this amount is not excluded. The Principal can enforce the contractual penalty up to the final payment.
- 3.4. Should the completion date be postponed due to circumstances for which the Principal is responsible, then the contractual penalty in the event of a delay by the Contractor shall apply according to the new completion date.
- 3.5. The Principal reserves the right to demand an agreed contractual penalty due to insufficient fulfillment (§341 BGB (German Civil Code)) up until the final payment.

### **4. Prices/advertising statements**

- 4.1. All prices are fixed prices. They include all expenses in connection with the goods and services to be provided by the Contractor.
- 4.2. The Contractor indemnifies the Principal against all claims which a customer of the Principal ("Customer") enforces based on advertising statements made by the Contractor, the manufacturer in the sense of § 4 Subs. 1 or 2 ProdHaftG (Product Liability Law), or a vicarious agent of one of these parties and which would not have existed or not have existed to this extent without the advertising statement. This regulation applies irrespective of whether the advertising statement was issued before or after conclusion of this Contract.

## **5. Processing and delivery**

- 5.1. The Contractor may only issue subcontracts with the agreement of the Principal, unless this merely involves the supply of parts commonly available on the market. Call-offs are binding with regard to the type and quantity of the goods called off and the delivery period. Partial deliveries require the consent of the Principal.
- 5.2. Every delivery must be accompanied by a certificate of delivery with the Principal's order number as well as a statement of the contents with regard to type and quantity.
- 5.3. As a rule, the goods are delivered in disposable standard packaging usual in the trade. Should re-usable packaging be used, the Contractor shall provide the packaging on loan. Return transport of the packaging shall be at the cost and risk of the Contractor. If, as an exception, the Principal agrees to bear the packing costs, these shall be charged at the verifiable cost price. The Parties must always take care to ensure responsible consumption of resources and energy.
- 5.4. Technical equipment is delivered with a technical description and instruction manual free of charge. In relevant cases, technical data sheets for assessment of the energy efficiency are included in the delivery. In the case of software products, the delivery obligation is only fulfilled when the complete (technical and user) documentation has been transferred. In the case of software created specifically for the Principal, the source code is also delivered.
- 5.5. Should the Contractor provide goods or services on the Principal's business premises, the Contractor shall observe the instructions for safety, environmental protection and fire prevention as well as the efficient use of energy by external personnel in the valid version in each case.

## **6. Invoices, payments**

- 6.1. Invoices must be submitted separately and state the Principal's order number. Each invoice must meet the relevant statutory provisions, in particular the requirements pursuant to § 14 Subs. 4 UstG (Value-Added Tax Law).
- 6.2. The amount due shall be paid 60 days after goods receipt and receipt of the invoice or, at the discretion of the Principal, after 14 days with a 3% discount. The time of payment is the day on which the Principal's bank receives the transfer order.
- 6.3. Payments do not constitute a recognition of the goods or services as compliant with the Contract. In the event of defective or incomplete goods delivery or service provision, the Principal shall be entitled, without prejudice to any other rights, to withhold payments for claims from the business relationship to a reasonable amount until correct fulfillment.
- 6.4. The assignment of claims of the Contractor against the Principal to third parties is prohibited.

## **7. Compliance with statutory provisions**

- 7.1. The Contractor shall observe all applicable statutory regulations, in particular regarding the protection of employees, consumers, and the environment. The Contractor indemnifies the Principal against all claims by third parties based on a violation of statutory provisions by the Contractor.
- 7.2. The Contractor shall observe the valid regulations for substance restrictions and shall not use banned substances. The Contractor shall disclose any restricted and hazardous substances in compliance with the valid regulations. Furthermore, the Contractor shall submit safety data sheets along with its quotations and at every first delivery along with the certificate of delivery (at least in German or English) and shall also immediately pass on to the Principal all information regarding any exceeding of substance restrictions or delivery of banned substances.

7.3. The Contractor alone is responsible in the case of goods deliveries and the provision of services for adherence to the accident prevention regulations. Any protective equipment required or instructions from the manufacturer must be included in the delivery free of charge.

## **8. Import and export provisions, conflict minerals**

8.1. In the case of all goods and services supplied from an EU member state outside of Germany, the Contractor shall state its EU VAT ID number. Should the Contractor be domiciled in a member state of the European Union, it shall deliver the goods, subject to any other agreements between the Parties, already cleared by customs.

8.2. The Contractor shall always observe the foreign trade regulations (in particular the export control and customs provisions) applicable in the country of delivery and/or at the Contractor's domicile. The Contractor shall also always observe the regulations of the United States of America, if they are applicable. The Contractor shall state on all sales documents accompanying the deliveries (certificate of delivery, invoice, etc.) the goods and services which require export permits or are subject to the US (re)export provisions along with the corresponding classification (export list item, number of the European Dual-Use List and/or Export Control Classification Number), as well as the valid statistical goods number (HS code) and the country of origin. At its own cost, the Contractor shall submit all declarations and information required by (EC) Directive No. 1207/2001, allow checks by the customs authorities, and obtain the necessary official confirmations.

8.3. Should the services to be provided consist of technologies in the sense of technical knowledge which is subject to the US export control regulations (EAR, ITAR), the European Dual Use Directive, or the German Export List, the Contractor shall inform the Principal of this in writing.

8.4. The Contractor guarantees that the following applies for all its organizational units and affiliated companies in which the Contractor directly or indirectly holds a share of more than 50%. The terms of the EICC Code of Conduct apply to all routines, processes, products, and services. Furthermore, the Contractor demands that its suppliers observe the terms of the EICC Code of Conduct and supports them in this respect to the best of its ability. The internationally recognized EICC Code of Conduct is available in various languages under this link:  
<http://www.eiccoalition.org/standards/code-of-conduct>.

## **9. Transfer of risk, acceptance, ownership rights**

9.1. Irrespective of the agreed pricing, the risk of the goods delivered without installation or assembly transfers to the Principal upon arrival at the delivery address stated by the Principal, and in the case of delivery with installation or assembly upon successful conclusion of the acceptance. Commissioning or use of the goods do not replace the declaration of acceptance by the Principal.

9.2. Ownership of the delivered goods transfers to the Principal after payment. All extended or supplementary reservations of ownership are excluded.

- 10. Inspection obligation and obligation to report defects, inspection costs**
- 10.1. Immediately after receipt of products, the Principal will examine whether they comply with the ordered quantity and ordered type and whether there are any externally visible transport damages or defects.
- 10.2. An incoming goods check is performed to identify obvious defects. The Principal notifies the Contractor of hidden defects as soon as they are discovered under the circumstances of proper business operations. The Contractor waives the right to lodge an objection of delayed reporting of defects for all defects reported within thirty (30) days after their discovery.
- 10.3. If the Principal returns defective goods to the Contractor, the Principal is entitled to re-debit the invoice amount plus a fixed expenses charge of 5% of the price of the defective goods. The Principal retains the right to provide evidence of higher expenses. The Contractor retains the right to provide evidence of lower or no expenses.
- 11. Liability, warranty for material and legal defects**
- 11.1. Even in the event of merely insignificant deviation from the agreed quality or insignificant impairment of usability, the Principal has the right to withdraw from the Contract and to claim compensation instead of the (complete) performance.
- 11.2. The Principal shall not accept any contractual exclusions of or limits to liability of the Contractor unless the Principal has expressly agreed to them in writing.
- 11.3. If within the scope of the order to supply goods and services to the Principal, the Contractor has verifiably reached an agreement that constitutes a restriction of competition, the Contractor shall pay 15% of the agreed invoice sum to the Principal, unless damage to a different amount is proven.
- 11.4. Defective goods must immediately be replaced by non-defective goods, and defective services must be re-provided without defects. In the event of development or design faults, the Principal is entitled to immediately enforce the rights stated in section 11.5.
- 11.5. Any rectification of defective goods or services requires the agreement of the Principal. During the period in which the subject of the delivery or service is not in the safekeeping of the Principal, the Contractor bears the risk of accidental loss or deterioration.
- 11.6. Should the Contractor fail to remedy the defect within a reasonable period of grace set by the Principal, then the Principal is entitled at its discretion to withdraw from the Contract or reduce the payment and in each case to additionally claim compensation. In any case, the Principal holds the right to choose between remedy of the defect or new production [new provision of service]. If the Principal chooses remedy, then the remedy is considered failed after an unsuccessful first attempt at remedy.
- 11.7. In urgent cases (in particular if operational safety is endangered or to prevent unusually high damage), to remedy insignificant defects, or in case of delay in remedying a defect, the Principal is entitled, after previously informing the Contractor and after expiry of a brief period of grace which is reasonable under the circumstances, to itself remedy the defect and any damage caused by the defect at the cost of the Contractor, or to engage a third party to remedy the defect at the cost of the Contractor. This also applies if the Contractor fails to deliver goods or provide a service on time and the Principal must immediately remedy defects in order to avoid a default of delivery on its own part.
- 11.8. The limitation period for claims of the Principal resulting from material and legal defects is 36 months from the transfer of risk according to section 9.1. The limitation period is suspended for the period that starts with dispatch of a notification of defect and ends with fulfillment of the claim for defect. The limitation period regarding

- a defect which leads to subsequent fulfillment resumes upon conclusion of the subsequent fulfillment. Longer statutory limitation periods as well as further-reaching provisions regarding suspension and resumption of periods remain unaffected by this.
- 11.9. If the Contractor is required to deliver goods or provide services according to the plans, drawings or other special requirements of the Principal, the compliance of the goods or services with these requirements is assumed to be expressly agreed. Should the delivery of goods or provision of services deviate from the requirements, the Principal shall immediately be entitled to the rights stated in section 11.5.
- 11.10. Otherwise, the statutory rights of the Principal remain unaffected.

## **12. Repeated default**

- 12.1. If, despite a complaint from the Principal, the Contractor again provides essentially the same or similar goods or services with defects or delays, the Principal is entitled to immediately withdraw from the Contract. In such case, the Principal's right to withdraw also includes goods and services which the Contractor is obliged to provide to the Principal in the future from this or another contractual relationship.

## **13. Indemnity for material and legal defects**

- 13.1. The Contractor indemnifies the Principal from all claims lodged by third parties – on whatever legal grounds – due to a material or legal defect or any other defect of a product supplied by the Contractor, and reimburses to the Principal the costs necessary for the relevant legal action.

## **14. Technical documents, tools, means of production**

- 14.1. Technical documents, tools, works standard sheets, means of production etc. provided by the Principal remain the property of the Principal. All trademark, intellectual property and other protective rights remain with the Principal. They must be returned to the Principal, including all copies made, immediately and without request after fulfillment of the order. The Contractor is not entitled to enforce any retention rights. The Contractor may only use the aforementioned items for the fulfillment of the order and must not transfer them or otherwise make them available to unauthorized third parties. Duplication of the aforementioned items is only permissible to the extent that it is necessary for fulfillment of the order.
- 14.2. If the Contractor, on behalf of the Principal, provides the items specified in section 14.1, sentence 1 partly or fully at the cost of the Principal, then section 14.1 applies correspondingly. In such case, the Principal correspondingly becomes the (co-)owner of the item upon contributing its share of the manufacturing costs. The Contractor stores these items for the Principal free of charge. The Principal is entitled at any time to acquire the rights of the Contractor relating to the item by reimbursing costs not yet amortized, and is entitled to demand repossession of the item.
- 14.3. The Contractor shall take care of, maintain, and repair normal wear of the aforementioned items free of charge. If, after prior agreement with the Principal, the Contractor engages a subcontractor at the expense of the Principal to manufacture tools and samples for the purpose of fulfilling the order, the Contractor shall assign claims against the subcontractor for transfer of ownership of the tools and samples to the Principal.

## 15. Provisions

- 15.1. Materials provided by the Principal remain the property of the Principal. The Contractor stores them free of charge and separately from its other materials, observing the care of a prudent businessman. The Contractor labels these provisions as the property of the Principal. The provisions may only be used to fulfill the Principal's order. The Contractor must remedy any damage to the material provisions.
- 15.2. If the Contractor processes or combines the material provisions, this takes place on behalf of the Principal. The Principal immediately becomes the owner of the new items created. If the material provided only makes up part of the new items, the Principal acquires coownership rights in the new items according to the value and ratio of the materials provided to the other materials processed.

## 16. Open-source software

- 16.1. The Contractor shall inform the Principal in good time, at the latest on order confirmation, whether its products and services provided contain open-source software. Open-source software in the sense of this provision is software which is provided by the holder of the intellectual property rights to any number of users free of license fees. The users have the right to process and/or distribute the software on the basis of a license or other contractual provision (e.g. GNU General Public License (GPL), GNU Lesser GPL (LGPL), BSD License, Apache License, MIT License). If the products and services provided by the Contractor contain open-source software, the Contractor must supply the following to the Principal at the latest on order confirmation:
- The source code of the open-source software used, in as far as the open-source license conditions require the disclosure of this source code;
  - A list of all open-source files used with information on the license to be used in each case as well as a copy of the full license text.
  - A written declaration that use of the open-source software as intended does not have the effect that the products and services provided by the Contractor or the products of the Principal are subject to a "copyleft effect". Such a "copyleft effect" in the sense of this provision means that the open-source license conditions demand that certain products and services provided by the Contractor as well as works derived from them may only be further distributed under the conditions of the open-source license conditions, e.g. including disclosure of the source code.
- 16.2. If the Contractor only notifies the Principal after receipt of the order that its products and services contain open-source software, then the Principal is entitled to withdraw the order within 14 days after receipt of the corresponding information in writing.

## 17. Confidentiality

- 17.1. The Contractor shall treat confidentially all non-public commercial and technical details which become known to it as a result of the business relationship, and shall not disclose them to third parties.
- 17.2. Prior, written consent must be obtained from the Principal before products can be manufactured for third parties, or products specially produced for the Principal are displayed, in particular if they have been produced on the basis of plans, drawings or other special instructions from the Principal. Such consent is also required before information is published regarding the orders and services or any reference to the order is made to third parties.
- 17.3. The Principal hereby declares that it stores personal data relating to the business relationship with the Contractor.

**18. Miscellaneous**

- 18.1. The Contractor may only assign claims from this Contract with the consent of the Principal.
- 18.2. The place of fulfillment in each case is the stated delivery address.
- 18.3. Provided the Contractor is an enterprise, a legal person, a legal entity under public law, or a special fund under public law, the place of jurisdiction is Überlingen on Lake Constance. However, the Principal is entitled to also file suit against the Contractor at the Contractor's domicile.
- 18.4. German law applies under the exclusion of UN Purchase Law and of the Rules of Conflict of Law for German International Private Law.
- 18.5. Should individual provisions of these General Terms and Conditions of Purchasing be fully or partly ineffective or invalid, this shall not affect the effectiveness of the other provisions and/or the remainder of such provisions.