

General Terms and Conditions of Purchase

I. Contract conclusion

1. Exclusively the following terms and conditions of purchase apply to purchase orders placed by LCTech GmbH (referred to below as the client). They shall also apply to future transactions involving the contractor (referred to below as the contractor). Terms and conditions of delivery of the contractor shall only apply if they have been expressly confirmed in writing by the client. Undertaking the purchase order signifies recognition of these terms and conditions of purchase.
2. Purchase orders placed by the client are only binding if they are made in written or text form by the purchasing department placing the order. Modifications or supplements can only be declared by the ordering purchasing department or the board of management. Materials deviating from the purchase order text, drawings or bills of material of the client are only allowed to be used if this has been approved in writing by the client.
3. The contractor shall confirm to the client its acceptance of the purchase order within 14 days. If the contractor does not confirm within this period, the client shall no longer be bound to honour the purchase order.
4. The contractor shall treat the conclusion of the contract as a confidential matter. It is only allowed to use the client as a reference for third parties if the client grants permission to do so.
5. Invoices, delivery notes, dispatch notes and test certificates shall bear the purchase order number, item number and parts number of the client. The client is authorised to reject invoices that do not contain this information.
6. As a component of the delivery involving machines as defined by the EU Machinery Directive (89/392/EEC), the corresponding declaration of conformity or declaration by the manufacturer shall be supplied as well without being called for, otherwise the delivery shall be regarded as incomplete. This applies accordingly to the delivery of products for which further EU guidelines may apply in future.

II. Prices

The agreed prices are fixed prices and are regarded as free point of use including packaging and freight costs – plus VAT at the particular valid rate. If an "ex-works" or "ex-warehouse" price is agreed, the client shall only pay the least expensive freight costs. All costs arising up to the point of handover to the shipping company, including loading and cartage, are the responsibility of the contractor. The nature of the pricing does not affect the agreement regarding the place of fulfilment.

III. Proofs of origin

1. Proofs of origin requested by the client (e.g. supplier declarations) shall be provided by the contractor with all necessary information, made available without delay, and correctly signed.
2. In the event that goods from a third country are supplied, the contractor is obliged to indicate this on the delivery papers. If no notification is given, the client shall assume that the supplier's declaration in its possession is valid.

IV. Deadlines

1. If the contractor realises that the agreed deadlines cannot be met for any reason, it shall immediately notify the client of this verbally and in writing.
2. In the event of a delay by the contractor, the client shall be entitled to have the delivery/activity that the contractor has failed to provide carried out by a third party at the contractor's expense, after having set a reasonable subsequent deadline for the contractor which the latter also fails to meet.
3. All costs arising from delayed deliveries or activities shall be refunded by the contractor.
4. Contractual penalties – in the event that orders from clients of the client are subject to a contractual penalty, the penalty shall be passed on to the contractor in the event of delayed delivery. The contractor shall be notified of this in the purchase order.

V. Warranty

1. The delivery shall fulfil the application purpose in terms of quality, as well as complying with the relevant provisions of the authorities and professional associations. The contractor confirms that only precisely checked goods shall be delivered. The contractor shall carry out quality control appropriate in terms of type and extent, and in line with the state of the art.
2. Unless agreed otherwise, the warranty period shall be 24 months from the date on which the client's product in which the contractor's delivery is integrated is taken into operation at the end user, however not more than 36 months. The warranty period shall be extended to take account of downtimes of the product arising due to subsequent improvements carried out by the contractor. Parts repaired or renewed in the course of the subsequent improvement shall be subject to a warranty period of 12 months; however, this period shall extend at least until the expiry of the warranty period stated in sentence 1.
3. All engines, devices and machines shall be configured for continuous operation (24 hours a day). The contractor shall permanently orientate the configuration and quality of its products to be delivered to the client on the state of the art, and notify the client of possible improvements as well as technical modifications.
4. The client carries out a goods receipt check with regard to obvious defects (damage to the transport packaging, etc.). Complaints shall be submitted about concealed defects as soon as they come to light based on the conditions of due and proper business procedures. The contractor waives the objection of delayed complaint for all defects which are complained about within fourteen days of discovery. In the event of complaints, payment shall be rendered less 2.5 times the amount that is required for the subsequent improvements. Agreed discounts shall be unaffected by this.
5. Defects in the delivery that are complained about during the warranty period, including failure to provide assured properties, shall be corrected by the contractor without delay upon being requested to do so, free of charge – including expenses. If this is not possible or if it is unreasonable to expect the client to accept the reworked parts, the contractor shall replace the defective parts by parts in perfect condition, free of charge. If the contractor has delivered the ordered item directly to the client's end user, the defect shall be rectified at the end user.
6. In urgent cases, or if the contractor does not discharge its warranty obligation in a timely manner, the client shall be entitled to carry out the required measures at the contractor's expense, irrespective of the contractor's warranty obligations. The contractor shall be notified before the measures are carried out, except in urgent cases.
7. If a subsequent improvement is not possible or unreasonable, the right to withdrawal or reduction shall apply notwithstanding.
8. In any event, the entitlement to warranty shall expire one year after the complaint was submitted in a timely fashion, however not before expiry of the warranty obligation.
9. The contractor shall take out adequate product liability insurance.
10. The contractor shall ensure a provision of spare parts for at least 5 years after phase out of the particular series. The production equipment required for spare parts production shall also be kept during this period. The storage obligation expires at the end of this period, with the written approval of the client. Approval may only be refused for an important reason. The client shall be granted right of first refusal to buy the production equipment and documents.

VI. Drawings and other documents

1. In the event that the order is placed according to DIN or other specifications, the latest edition of the underlying standard/specification valid on the date of the purchase order always applies.
2. The client's approval of the drawings, calculations and other technical documents does not affect the sole responsibility of the contract with regard to its delivery. Unless the contractor submits a written objection, the same also applies to proposals and recommendations by the client, as well as to modifications discussed between the contractor and client.
3. The drawings and/or production documents handed over to the contractor are entrusted to it as the client's property, exclusively for carrying out the orders; the client reserves the copyrights. The documents shall be returned upon completion of the work. The contractor is not entitled to use the same directly or indirectly as document for deliveries to third parties. Communicating the production

documents to third parties as originals or by copying shall only be allowed as far as required in order to undertake the contract.

4. All implementation documents, fixtures, tools, models, etc. that are made available to the contractor remain the client's property and are only allowed to be used for the contractually agreed purposes. In case of damage or loss of the tools, dies and fixtures, etc. that are provided, liability shall reside with the contractor.
5. The client reserves all rights to the drawings produced according to its information, and to processes it has developed.
6. Drawings and bills of material shall be sent back to the client with the delivery. Otherwise, a portion of the invoice amount shall be retained corresponding to twice the value of the drawings and bills of material until they have been returned to the client.
7. Works certificates/datasheets – if works certificates or datasheets are required in the purchase orders, these form part of the purchase order. Goods for which the required documentation is not provided are of no value to the client, as a result of which due performance has not been rendered. In this case, the provisions of IV/3 shall apply.
8. Subcontracting to third parties – the contractor is not entitled to pass on the placed order in whole or in part to another company without the written agreement of the client. If the contractor does subcontract work to third parties nevertheless without the written approval of the client, the client shall be entitled to withdraw from this contract following a prior warning.
9. With regard to purchase orders for pumps, units, electrical or electronic components, the product documentation (operating instructions, data sheets and, if applicable, declaration of conformity or installation declaration for incomplete machines, type test certificate) shall be sent to the following e-mail address as an openly accessible PDF in all available languages at the latest on delivery: info@LCTech.de.
If the documentation has to be translated into an unavailable official language, an editable file (Word or FrameMaker) shall be provided.

VII. Contractual penalty

If client-provided production documents are utilised by the contractor or its subcontractors without authorisation, the contractor shall pay a contractual penalty amounting to the purchase price of the objects manufactured according to the documents, notwithstanding the application of higher claims for indemnification in damages. The contractor shall pass on the aforementioned obligation in the same form when placing orders with subcontractors.

VIII. Hazardous substances

In the event that the delivery contains hazardous substances, the DIN/EN safety datasheets shall be supplied as well.

IV. Delivery and shipping regulations

1. The specified delivery and shipping regulations shall be complied with.
2. Approval of the client is required when concluding a transport insurance policy.
3. Each shipment or delivery shall be accompanied by a delivery note stating the precise purchase order data, dimensions, gross and net weights.
4. When shipments are made on behalf of the client to another delivery address, notification of dispatch shall be sent to the client.
5. The contractor shall comply with the currently valid version of the packaging regulations. Return delivery shall be carried out at the cost and risk of the contractor.
6. Goods receipt at the client may reject non-recyclable transport packaging at the contractor's expense (see packaging regulations dated 6 December 1991).
7. If the goods are sent on europallets or other exchangeable loading equipment, the haulier shall be obliged to accept loading equipment in exchange.
8. The client reserves the right to recognise surplus deliveries, short deliveries are not allowed.
9. Business hours: Monday to Friday from 8 AM to 12 PM and from 1 PM to 4 PM.
10. It is not permitted for goods deliveries to be left outside the company premises or for deliveries not to be received by an authorised agent of the client. Visits shall be arranged in advance by telephone.

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X. Payment

1. Payment shall take place at the client's option within 14 days of receipt of the correctly presented invoice, at 2% discount, or within 30 days net, unless other arrangements have been made. Payments do not indicate acknowledgement of correct delivery.
2. The client is entitled to offset all its receivables from the contractor against the receivables to which the contractor is entitled from the client, and also to assert the statutory right of retention. The contractor is not entitled to assign receivables from the contractual relationship to third parties without the prior approval of the client.

XI. Confidentiality and data protection

The contractor is obliged to treat in the strictest of confidence all technical and commercial documents that it is provided with, as well as other information, and to oblige its subcontractors accordingly. The confidentiality obligation also applies after the end of the corporation. The contractor declares its agreement, which may be withdrawn, that order-related data will be processed and stored subject to compliance with statutory regulations.

XI. Third-party industrial rights

The contractor declares that the objects and development processes on which the purchase contract is based are not encumbered by the industrial rights of third parties in Germany or abroad. The contractor shall be liable for ensuring that the industrial rights of third parties are not infringed during the implementation of the order and through delivery and use of the delivered item, in particular to the extent that such rights relate to patents, registered or protected designs, copyrights or competition regulations. The contractor is obliged to release the client and its customers from all claims by third parties associated with this.

XII. Place of fulfilment, court of jurisdiction, applicable law

1. The place of fulfilment for all deliveries and activities is the place of use; for payments, it is the headquarters of the client.
2. The court of jurisdiction is the court with general responsibility for the headquarters of the client. However, the client may also bring actions against the contractor at the latter's general place of jurisdiction.
3. German law applies to the relationships between the contractual parties, with the exclusion of the United Nations Convention on the International Sale of Goods (CISG).

Status: February 2017