

General Terms and Conditions of Purchase

of Laser Components GmbH, Werner-von-Siemens-Strasse 15, 82140 Olching

I. Scope

1. All deliveries, services, and quotations which Laser Components GmbH (hereinafter referred to as "Laser Components") orders from its suppliers shall be made exclusively on the basis of these General Terms and Conditions of Purchase. They are an integral part of all contracts concluded by Laser Components with its suppliers regarding the deliveries or services they offer. They also apply to all future deliveries, services, or quotations to Laser Components, even if they are not agreed upon separately.
2. The terms of business of the supplier or third parties shall not apply, even if Laser Components does not object specifically in an individual case. Reference by Laser Components to a letter that contains or refers to the terms of business of the supplier or a third party does not constitute an agreement with the validity of those terms and conditions.

II. Orders, Conclusion of Contract

1. Orders by Laser Components shall only be legally binding if submitted in writing. Orders placed verbally or over the phone require a subsequent confirmation in writing by Laser Components to become effective.
2. The supplier is obliged to accept a purchase order by Laser Components by means of a written order confirmation within a period of three (3) working days. The fax or email protocol of the order of Laser Components, as well as the receipt of the written confirmation of the supplier, is decisive for the calculation of the time limit.
3. Laser Components is entitled to change the time and location of the delivery, as well as the type of packaging, at any time by written notification with a time limit of at least ten (10) calendar days prior to the agreed-upon delivery date. The same applies to changes in product specifications insofar as these can be implemented within the scope of the normal production process of the supplier without considerable time expenditure, in which case the period of notice according to the preceding sentence is at least three (3) calendar days. In this case, Laser Components will reimburse the supplier the proven and appropriate additional costs resulting from the modification. If such changes lead to delays in delivery that cannot be avoided with reasonable efforts in the normal production process and business operations by the supplier, the originally agreed-upon delivery date changes accordingly. The supplier shall notify Laser Components of any additional costs or delays to be expected after careful consideration in a timely manner before the date of delivery, but within at least two (2) business days of receipt of our written notification according to sentence 1.

III. Scope of Delivery, Spare Parts

1. The supplier shall ensure that his deliveries comply with all specifications which are necessary for proper, safe, and economic use and that said deliveries are suitable for the intended use, represent the current state of science and technology, and correspond to all documents on which the order was based (specifications, descriptions, samples, drawings, etc.). The supplier shall comply with all relevant standards, laws, and regulations, in particular the relevant regulations on environmental protection, hazardous materials, dangerous goods, and accident prevention, as well as the generally accepted safety and occupational health rules and stipulations of mutually accepted additional agreements. The supplier must inform Laser Components of required official approvals, import and export regulations, and reporting requirements regarding the delivery items.
2. For all delivered goods, the supplier shall provide Laser Components with operating instructions in the German language. The supplier also attaches all necessary test certificates and – in accordance with applicable laws, directives, and standards – safety instructions to the goods for safe operation.
3. The supplier shall ensure that he is able to supply Laser Components at reasonable conditions with the goods sold or parts thereof as spare parts for a period of 10 years after the end of the supply relationship.

IV. Remuneration, Due Date

1. The price stated in the purchase order of Laser Components is binding. This constitutes the total price. The price is subject to VAT.
2. In the absence of any other written agreement, the price includes delivery, packaging, and transportation to the shipping address of Laser Components in Germany including duties, fees, taxes, and other additional costs.
3. If the subject matter of the contract is import goods, the EUR price stated in the purchase order is based on the exchange rate of the foreign currency valid on the day of dispatch of the order to the supplier.
4. Deliveries of the supplier that exceed or fall below the ordered quantity require the prior written consent of Laser Components.
5. Laser Components' order number, item number, delivery quantity, and delivery address must be specified in all order confirmations, delivery documents, and invoices. If one or more of these details is missing and processing in the normal course of business at Laser Components is delayed as a result, the payment periods specified in section 4.8 are extended by the period of the delay.
6. Prepayments are not made. In the case of a payment agreed upon in advance, the payment claim is only due after the supplier has provided security through a bank guarantee. Return of the bank guarantee follows the delivery of defect-free goods or successful acceptance.
7. Unless otherwise agreed upon, Laser Components will pay the purchase price within two weeks with a 2% discount or within 30 days from delivery of the goods and receipt of the invoice. The punctuality of the payment owed by Laser Components does not depend on receipt of the invoice amount by the supplier. The date of receipt of the transfer order from Laser Components at its bank is sufficient.
8. If the goods are received later than the invoice or the invoice is incomplete, the date of receipt of the goods or the date of receipt of the correct invoice is decisive for the calculation of the payment and discount period.
9. Payments made do not exclude claims for defects that may exist.

V. Delivery Time, Delays

1. Agreed delivery dates are binding.
2. Delivery periods shall be deemed to have been met if Laser Components receives the subject matter of the contract by the expiry date of said delivery periods.
3. Partial deliveries by the supplier require the prior written consent of Laser Components.
4. Laser Components shall not be obliged to accept the delivery before the expiry of the delivery time.
5. The supplier is obliged to notify Laser Components immediately in writing if circumstances arise or become apparent that the agreed delivery time cannot be met. This notification shall indicate the reason and the anticipated duration of the delay.
6. If the supplier is in default with his obligation to deliver, Laser Components, after the unsuccessful expiration of a reasonable deadline, is entitled to either withdraw from the contract or claim damages instead of the performance.
7. In case of delay, Laser Components is entitled to charge a contractual penalty of 0.5% of the order value per week but not more than 5% of the order value. The supplier is also liable for delays caused by his suppliers. Laser Components is entitled to enforce the contractual penalty in addition to performance; Laser Components undertakes to declare against the supplier the reservation of the contractual penalty within 10 working days at the latest, starting with acceptance of the delayed delivery. Forfeited contractual penalties shall be applied to other claims for damages caused by default.
8. In the case of delays due to *force majeure* or a not-at-fault labor dispute, Laser Components may, after a reasonable grace period, either terminate the contract in whole or in part or demand the delivery at a later date without any claims arising from this for the supplier. Furthermore, in the event of impossibility or inability of the supplier, the statutory provisions shall apply.

VI. Delivery Conditions, Transport Insurance, Risk Transfer, Responsibility for Disposal

1. Deliveries are made "delivered duty paid" (DDP according to Incoterms 2010) to the shipping address of Laser Components stated in the order. If not stated in an order, the place of delivery is the registered office of Laser Components GmbH at Werner-von-Siemens-Strasse 15, 82140 Olching / Germany.
2. A delivery note must accompany each delivery. In addition to the usual information, this delivery note shall include, in particular, the order number, the consignment description, the item number of Laser Components, the exact description of the goods and the quantity delivered, as well as dimensions, weight, and packaging. In the case of delivery by train or forwarding agency, the above-mentioned information shall also be indicated on the freight note and/or other accompanying documents. Foreign suppliers must also attach customs documents in addition to the regular accompanying documents when shipping to the Federal Republic of Germany.
3. Each packaging unit of the delivered goods must be clearly marked with the item number, the product description, the quantity, and the batch or lot number (or individually with a serial number).
4. In the case of delivery of dangerous goods, all relevant regulations must be observed up to the place of destination.
5. The risk shall not pass to Laser Components until Laser Components is handed over the goods at the agreed destination, even if shipping has been agreed upon.
6. Taking out transport insurance requires our prior written consent.
7. Insofar as the supplier is obliged to take back packaging materials according to the packaging regulations, he must collect them at his expense at Laser Components. If the supplier wishes to have the to-be-returned packaging shipped to him, he shall bear the shipping costs incurred.
8. Responsibility for the disposal of the goods delivered in accordance with the statutory provisions (Electrical and Electronic Equipment Act, etc.) is solely with the supplier. A transfer of responsibility for disposal and/or associated duties to Laser Components, as well as exemption from these obligations at the expense of Laser Components, is not permitted.

VII. Property Rights of Third Parties

1. In accordance with the provisions of section 2, the supplier shall ensure that goods supplied by him do not infringe upon the property rights of third parties within the European domain and within the domain of the member states of the world intellectual property organization (WIPO) in which he produces or contracts the manufacturing of the products.
2. The supplier is obligated to indemnify Laser Components against all claims that third parties bring forward against Laser Components for the infringement of industrial property rights mentioned in section 1 and to refund to Laser Components all necessary expenses in connection with this claim. This right is nullified insofar as the supplier proves that he is neither responsible for the infringement of industrial property rights nor that he, when exercising due diligence, should have been aware of it at the time of delivery.
3. The further statutory claims of Laser Components regarding legal deficiencies of the goods delivered shall remain unaffected.

VIII. Warranty

1. The supplier has to deliver the goods free of defects and to comply with additional guarantees he has given.
2. Laser Components is only obliged to perform a defect inspection and a notice of defects within the scope of the statutory regulations. To the extent that there is an obligation to give notice of defects, Laser Components is obliged to check the delivered goods for any defects within a reasonable period of time. The notice shall be deemed to have been given in time if it has been delivered to the supplier within a period of two weeks after a defect was detected in the delivery or is recognizable during a dutiful inspection. A considerably longer period of notice of defects may arise on an individual basis due to the nature of the delivery. Defects that cannot be detected during a proper inspection (hidden defects) are able to be contested by Laser Components within two weeks of their discovery.

3. After receipt of the notice of defects from Laser Components, the supplier shall be obliged to submit to Laser Components a summary of the cause of the defect, the determination of the defect, and proposed measures for correcting the defect within a period of five working days at the most.
4. After a notice of defects has been given, all existing stock at the supplier's premises or at Laser Components shall be inspected at the supplier's expense and any deficiencies remedied. If repeated or further tests are required as a result of identified defects, the supplier bears all material and personnel costs arising from this. The same applies to the material certificates of the primary materials sourced by the supplier.
5. In the case of defects, Laser Components shall be entitled to the full extent of the statutory regulations governing defects. In particular, Laser Components is entitled, at its discretion, to demand the removal of defects, a new delivery, or the remanufacturing of defect-free goods by way of supplementary performance. For this purpose, Laser Components shall provide the supplier with a reasonable grace period.
6. The supplier shall bear the costs arising from a supplementary performance.
7. After expiry of the grace period, Laser Components is entitled to withdraw from the contract, to make a covering purchase, to reduce the agreed purchase price proportionately, and to demand compensation for non-fulfillment should the supplier fail to provide a supplementary performance.
8. In the case of the imminent danger of disproportionate damage or some other special urgency, in particular in the case of an imminent production stop at Laser Components or one of its customers, Laser Components is entitled to remove the defects immediately at the supplier's expense without setting a reasonable deadline to have this task carried out, provided that Laser Components has tried to reach the supplier to no avail. This does not exempt Laser Components from notifying the supplier immediately of such action. In any case, Laser Components is also entitled to claim compensation from the supplier for costs, damages, and proven unsuccessful expenses, as well as all expenses necessary for the purpose of removing defects or arranging for new delivery. Further legal rights are expressly reserved.
9. The statute of limitations for claims on defects shall be twenty-four (24) months from delivery of the goods. In the case of supplementary performance by removing defects or delivering new goods, the time limit for the remedied defect restarts.

IX. Indemnification

1. The supplier shall be responsible for all claims asserted by third parties on account of personal injury or property damage resulting from a defective product delivered by him. Furthermore, the supplier shall be obliged to indemnify Laser Components from the resulting liability, in particular under the Product Liability Act, the Equipment Safety Act, the Electrical and Electronic Equipment Act, and the Medical Devices Act. If Laser Components is obligated to carry out a recall from a third party due to a defect, the supplier shall bear all costs associated with the recall.
2. The supplier is obliged to maintain product liability insurance at his own expense with a limit of liability of EUR 2.5 million per person/property damage which, unless otherwise agreed upon on an individual basis, does not have to cover the risk of recall, punitive damages, or similar. At the request of Laser Components, the supplier shall send a copy of its liability policy.

X. Confidentiality

1. The supplier is obliged to keep the terms of the order, as well as all information and documents made available for this purpose (with the exception of publicly available information), secret for a period of five years after conclusion of the contract and to use said information and documents only for the execution of the order. Upon request, he will return them to Laser Components immediately after completing an inquiry or after processing an order.
2. Without the express prior written consent of Laser Components, the supplier shall neither mention its business relationship with Laser Components in advertising material, brochures, etc. nor exhibit items manufactured for Laser Components.
3. The supplier shall obligate his sub-suppliers in accordance with section X.

XI. Retention of Title – Provision

1. There is no retention of title by the supplier which goes beyond the simple retention of title.
2. All materials, tools, devices, models, samples, illustrations, drawings, calculations, print templates, other aids, documents, and information that were provided or loaned by Laser Components for the processing of an order are the property of Laser Components and must be identified as such. Furthermore, without the written consent of Laser Components, these items, together with the goods produced from them, must not be duplicated, sold, divulged to third parties, or used for purposes other than those contractually agreed upon.
3. This also applies if the documents and any copies have not been marked as confidential. They must be secured against unauthorized inspection or use and, upon termination of the contract, returned to Laser Components without being asked.
4. The supplier is obliged to use them exclusively for the manufacture of the goods ordered by Laser Components and to maintain them at his expense. He is also obliged to insure them adequately against fire, water, theft, and disasters at his expense.
5. Furthermore, the same applies to products manufactured following the instructions of Laser Components. These goods may not be made available to third parties – neither in their raw state nor as semi-finished or finished goods.
6. The tools, molds, and fixtures (tools) commissioned by Laser Components shall pass into the full ownership of Laser Components upon payment, even if the supplier uses the phrase “pro rata tooling costs”.
7. The supplier is obliged to treat the tools with care and to always keep them operational according to the latest version of the drawings. In the absence of a different arrangement, the contracting parties shall each bear half the costs for maintenance and repair. However, to the extent that these costs are attributable to defects of items manufactured by the supplier or to the improper consumption by the supplier, his employees, or other vicarious agents, they shall be borne solely by the supplier. The supplier shall promptly notify Laser Components of any and all non-negligible damages to such items.
8. Laser Components has the right to recall the tools from the supplier at any time after completing an order. Apart from this, the supplier’s retention obligation will only terminate after prior consultation with us.
9. Provisions, for example products delivered by Laser Components for incorporation into the goods to be manufactured, which Laser Components leaves to the supplier, remain the unrestricted property of Laser Components.
10. The processing or transformation of provisions by the supplier is carried out for Laser Components. Insofar as the provisions are processed with other items not owned by Laser Components, Laser Components acquires co-ownership of the new item in proportion of the value of the provisions to the other processed or transformed items at the time of processing or transformation. If provisions are inseparably mixed or combined with other items not owned by Laser Components, Laser Components acquires co-ownership of the new item in proportion of the value of the provisions to the other mixed or combined items at the time of mixing or combination. If mixing or combining leads to the supplier’s items regarded as the main part compared to the provisions of Laser Components, then the supplier transfers proportionate co-ownership of the new item to Laser Components and holds it for Laser Components.

11. Improvement proposals made by the supplier may only be patented by Laser Components insofar as they have been created in connection with the execution of an order by Laser Components.

XII. Right of Retention, Set-off, Assignment

1. Legally stipulated set-off and retention rights are granted to Laser Components under the conditions stated therein. In particular, in the case of defective or incomplete delivery, Laser Components is entitled to withhold payment of a reasonable partial value of the delivery, depending on the extent of defective or incomplete delivery, until the respective delivery has been carried out in full and without defects to Laser Components.
2. The supplier is only entitled to set off counterclaims which are undisputed or legally established, or to exercise a right of retention. The exercise of a right of retention by the supplier shall also be excluded insofar as the counterclaims are not based on the same contractual relationship.
3. A complete or partial assignment of rights and obligations from or in connection with a delivery to a third party requires the prior written consent of Laser Components. Laser Components is entitled to the assignment of rights and obligations from or in connection with a delivery, in particular to affiliated companies within the meaning of section 15 of the Stock Corporation Act.

XIII. Data Storage

The supplier agrees that Laser Components shall process and store the data of the supplier obtained in connection with the business relationship within the meaning of the Federal Data Protection Act, as far as this is necessary for business purposes.

XIV. Final Provisions

1. Should a provision of the general terms and conditions of purchase of Laser Components be invalid, the validity of the remaining provisions shall not be affected.
2. Insofar as the contract or these general terms and conditions of purchase contain omissions, the legally effective regulations, which the contracting parties would have chosen according to the economic objectives of the contract and the purpose of these general terms and conditions of purchase, shall be deemed to have been agreed upon had they been aware of these omissions.
3. If the supplier is a merchant, the court of jurisdiction for all disputes arising from the business relationship between Laser Components and the customers is, at the option of Laser Components, the headquarters of Laser Components in Olching. For legal actions against Laser Components, Munich is the exclusive court of jurisdiction. Mandatory legal provision regarding the exclusive court of jurisdiction shall remain unaffected by this regulation.
4. For all legal relationships between Laser Components and the supplier, the laws of the Federal Republic of Germany are solely applicable. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.