

# General Terms of Delivery

## I. Scope of Validity

1. VEGA provides products and services on the basis of the following general terms of delivery. Changes and amendments must be carried out in written form. Any deviating conditions of the contracting party do not apply even if they are not explicitly contradicted in individual cases.
2. These general terms of business also apply to all further contracts without special reference having to be made to them.

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## II. Offers, Prices

1. All offers remain subject to change, as far as they have not been declared binding.
2. With offers designated as binding, a contract can be concluded if the buyer accepts the offer within a period of two weeks after the offer date. After this deadline expires, VEGA is no longer bound to the offer. Orders result in a final contract only after a confirmation from VEGA. VEGA reserves the right to decline an order or demand collateral.
3. Descriptions and dimension data in price lists and technical documents are not binding, as long as they are not explicitly confirmed in writing. VEGA reserves the right to modify designs and components in the interest of technical development until the date of delivery.
4. VEGA's prices do not include the current value added tax. The prices are ex-works and do not include packaging, freight, postage and insurance and other forwarding costs.
5. As far as no other stipulations were made, the prices shown in the current VEGA price list are effective. If an order is delivered later than six months after conclusion of a contract (for reasons the customer is responsible), the list price current at the time of delivery applies; in case a price other than the list price was stipulated, this price will be increased at the same rate the list price was increased.
6. If, at the request of the customer, supplemental technical modifications were carried out that led to additional costs for VEGA, these costs will be separately charged.
7. VEGA lays claim to proprietorship and copyright on quotations, technical drawings and other tendering documents. These documents may be made available to a third party only with VEGA's consent.

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### **III. Deliveries, Transfer of Risk**

1. Partial shipments are allowed and obligate the customer to carry out a corresponding proportionate payment, unless the acceptance of the partial shipments is completely unreasonable.
2. Deliveries take place ex works at the cost of the customer. The risk for the merchandise is transferred to the customer via a notification of readiness for dispatching, at the latest when the shipment is handed over to the shipping agent or carrier. This also applies to partial shipments and also when VEGA delivers freight prepaid.

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### **IV. Delivery period and delivery date**

1. The delivery times specified by VEGA are only approximate and subject to change, unless fixed deadlines are explicitly agreed upon in individual contracts. These are definite only if VEGA has received on time from the customer the documents, permits, approvals necessary to bring the contract to effect, as well as any prearranged payments.
2. In cases of acts of God or circumstances over which VEGA has no control (e.g. measures taken by authorities, strike, lockout, equipment failure, problems with material procurement, traffic stoppage, etc., also if they happen to a sub-supplier), the delivery times – also those which are confirmed - will be extended by an appropriate amount. This also applies if the abovementioned circumstances occur when a delivery has already been impeded for other reasons. If, due to such circumstances, it is impossible or unreasonable for VEGA to fulfil its obligation to deliver, VEGA will be freed of its obligation. In case the delay in delivery exceeds one month, VEGA and the customer are entitled to rescind the part of the contract not yet fulfilled.
3. If, after the contract has been concluded, the customer requests changes in the order that influence production duration, delivery deadlines must be renegotiated; in case of doubt, the delivery time will be extended proportionately. The same applies if the customer does not properly comply with his obligation to cooperate or to pay.

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### **V. Payments**

1. If payment is made within 10 days of receipt of the invoice, a 2% discount can be deducted. After 30 days, payment must be made in full.
2. Should VEGA's pecuniary claim be endangered by financial difficulties encountered by the customer after conclusion of the contract (this is especially the case if there is an insolvency request or a protest of a bill), VEGA has the right to send cash-on-delivery parcels, to demand payment in advance, to retain merchandise not yet delivered, as well as to stop work on current orders and to rescind contracts already concluded with the customer, inasmuch as the customer has not made an advance payment or provided collateral. VEGA reserves the right to enforce further claims, especially in case of default.
3. The customer has the right to a lien or an offset only in cases of incontestable or validated claims.

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## VI. Reservation of Ownership

1. The delivered merchandise remains the reserved property of VEGA until all existing or future claims arising from the business dealings are settled. This also applies to cases where individual claims or all claims are included in a current account, the balance of which has been calculated and acknowledged. Acceptances, bills of exchange and checks are valid as acquittal only after their irrevocable redemption.

2. The customer has the right to sell the merchandise in the normal course of business dealings only if he herewith cedes to VEGA all claims he has toward his customer or other third party through the act of reselling. The customer does not have the right to dispose the reserved property in other ways, like putting it in pledge or transferring ownership by way of security. If the re-served property, whether in its original condition or processed and combined with other articles which are exclusively the property of the customer, is sold, the customer herewith cedes in full amount the claims which arise through the resale. If the reserved property – after processing/combining – is sold by the customer together with merchandise not belonging to VEGA, the customer herewith cedes to VEGA the claims in the amount of the value of the reserved property and places VEGA at the top in the order of priority. VEGA assumes the cession. If there is an open account between the customer and his buyer, the cession not only covers the account balance recognised in § 355 HGB (Cole of Commercial Law) but also any surplus that without assessment and approval can be used as payment. Until revocation by VEGA, the customer is authorised, also after cession, to collect the claims. VEGA's authority to collect the claims is not affected by this; however, VEGA commits itself not to collect the claims and not to revoke the authority of the customer to collect the claims as long as he fulfils his financial obligations according to the rules. VEGA can demand that the customer make known the ceded claims and debtors, provide the information necessary for collection, hand over related documents and give notice of cession of claims to the debtors.

Should the customer process the reserved property or modify it for VEGA as the manufacturer, this takes place without any commitments for VEGA. If the customer processes, connects, mixes or combines the reserved property with other merchandise not belonging to VEGA, VEGA becomes joint owner of the newly created article with a share corresponding to the proportion of its re-served property to the other merchandise at the time the processing, connecting, mixing or combining took place. If the customer acquires the sole ownership of the newly created article, it is understood that the customer will grant VEGA co-ownership of the newly created article in proportion to the value of the processed, connected, mixed or combined reserved property, and hold it in safe custody for VEGA free of charge.

3. The customer obligates himself to sell the merchandise delivered by VEGA only on the condition that he reserve ownership of this merchandise until full payment of purchase price is made by his buyer. The customer will also stipulate that if, due to resale, processing, connecting or combining, the reservation of ownership becomes null and void, an ownership in the newly created article or claims resulting therefrom will take its place.

4. In case there is a default of payment or an application to begin insolvency proceedings over the assets of the customer, VEGA has the right to demand the immediate handover of the reserved property. This act of taking back the property does not mean a rescission from the contract. At the same time, unsettled claims become due for payment. Deposited bills of exchange are to be concurrently redeemed for cash payments regardless of their due date.

5. If the value of the existing securities exceeds the claims by more than 20%, VEGA is obligated, on request of the customer, to release the securities that go beyond the value of 120% of its claims. VEGA is free to choose which securities it will release.
  6. The customer is obligated to insure the reserved property against every insurable damage. He will cede in advance the claims resulting from the insurance contract to VEGA and provide on request proof of the conclusion of the contracts.
  7. If a third party gains access to the reserved property or the claims existing in its stead, the customer must immediately give notice (relevant documents included) to VEGA.
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## **VII. Warranty and Liability**

1. VEGA gives a warranty on defects of quality and title (to the exclusion of further rights) as described in the following clauses.
2. Parts that were defective when the transfer of risk took place will be repaired or replaced by VEGA as it sees fit. Notices of defects or customer complaints must be carried out in written form without delay. Replaced parts become VEGA's property again and are to be handed over to VEGA on request.
3. The regular warranty period is 24 months. The warranty period for a replaced part and the refitment is six months; it runs, however, at least until the expiration date of the original warranty period of the delivered article.
4. In case of a substitute delivery, VEGA bears the cost of the replacement part, including shipment to the place of delivery originally agreed upon in the contract, but not the cost of disassembly and reinstallation, or other expenditures. If the customer requests that the article be sent to a different location or that VEGA provide services on site, the customer assumes the additional costs which arise hereby.
5. If repair or replacement is not possible, or has failed at least two times, or is simply not carried out by VEGA within a reasonable time limit, the customer can deduct from the purchase price, rescind the contract or demand compensation. The assertion of compensation presupposes that the customer can furnish evidence of VEGA's negligence.
6. VEGA does not give a warranty on defects or damage (for which VEGA is not responsible) caused by improper or incorrect use, faulty installation or set-up, excessive loads, normal wear and tear, incorrect or careless handling, unsuitable work equipment, or by chemical, abrasive, electrochemical or electrical influences (as far as these are not contractually presumed).
7. As far as the law permits, liability for damage is precluded. VEGA is not liable for damage that cannot be traced to intent or extreme carelessness, unless the blame can be unequivocally placed on a cardinal fault and/or an owner or business manager of the company. This exemption from liability does not apply to cases in which defects of quality or title (due to a reckless breach of duty) lead to loss of life, bodily injury or damaged health.
8. VEGA's liability is limited to the net invoiced value of the goods of the shipment which contained the flawed article. Liability is always restricted to typical, foreseeable damage.

9. VEGA does not assume liability for damage that can be attributed to the negligence of a customer who provided incomplete or incorrect information concerning the environmental or operating conditions (of the installation site or measured medium) which influence the functionality of VEGA's products and especially its measuring instruments.

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## **VIII. Confidentiality, Patent Rights**

1. The contracting parties are committed to absolute confidentiality with respect to any third party. The customer is especially under the obligation to keep confidential all business and trade secrets, production methods, other business and trade facts, as well as documents and information from VEGA that become known in connection with the contract, and give no third party access to them.

2. Both parties will also impose the abovementioned obligation on all employees and third parties who (with authorisation) are engaged with the contract.

3. VEGA claims the copyright on all samples, cost estimates, drawings, sketches and other information (also in the form of electronic data). The customer is allowed use these things, as well as any other copyrighted documents or items connected with the delivered article, only in accordance with the terms of the contract. The customer is not allowed to pass these things on to a third party or exploit them in any way.

4. VEGA claims possession of all patent rights connected with the delivered article. The customer will immediately inform VEGA in case there is an alleged infringement of patent rights or he gains knowledge of an infringement of patent rights by a third party.

5. If during the course of a tendering procedure VEGA gives the customer technical drafts and information, but VEGA is not awarded the contract, the technical drafts and information must be returned immediately and not be made accessible to a third party.

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## **IX. Other terms**

Special agreements in connection with the contract or addenda to these terms of delivery must be carried out in writing in order to be valid. Schiltach is the place of performance. The city of Ofenbourg is the place of jurisdiction. If VEGA so chooses, the place of jurisdiction can also be where the headquarters of the customer are located. Only German law applies. The terms of the UN Convention on Contracts for the International Sale of Goods (CISG) explicitly do not apply. If a particular provision of this document is found to be void, a corresponding provision of the German Civil Code (BGB) or the Code of Commercial Law (HGB) will apply in its stead.

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