

Applicable to transactions with commercial enterprises, public entities and public special funds.

1. General Provisions

Our Purchasing Terms and Conditions have exclusive applicability; any general terms and conditions of Supplier in conflict with or different from our Terms and Conditions are hereby rejected unless expressly accepted by us in writing. Acceptance of or payment for goods or services of Supplier (hereinafter "Contract Products/Services") shall not be construed as acceptance of Supplier's terms and conditions.

2. Formation of Contracts, Modifications

2.1 All orders, contracts and delivery requests, as well as any modifications or amendments thereto, must be in written form.

2.2 Oral agreements of any kind - including any subsequent modifications or amendments to our Terms and Conditions - are valid only if confirmed by us in writing.

2.3 Cost estimates shall be binding and free of charge, unless expressly agreed otherwise.

2.4 If Supplier fails to accept an order within two weeks from receipt, we may cancel the order.

2.5 Delivery requests made in accordance with an order and delivery schedule become binding unless Supplier objects to the request within five business days from receipt.

2.6 Separate agreements regarding quality, occupational safety, environmental protection and social responsibility of suppliers, as well as the LPKF Delivery and Packaging Rules are hereby made a part of the contract.

3. Delivery

3.1 Supplier shall not deviate from the terms of our contracts and orders except with our prior written consent.

3.2 All agreed dates and deadlines are binding. Compliance with a delivery date or deadline is determined by the date the goods are received by us. Unless the contract provides for delivery "ex works" (DAP or DDP, Incoterms 2010), Supplier shall make the goods available in due time, taking into consideration the time needed for loading and shipping as agreed with the carrier.

3.3 If agreed dates are not met, we may avail ourselves of the remedies provided for by applicable law. If Supplier foresees any problems with respect to the manufacturing process, procurement of materials, compliance with delivery dates or similar circumstances that may prevent Supplier from making delivery on the agreed date or in the agreed quality, Supplier shall promptly notify our ordering department.

3.4 Our acceptance of delayed delivery of products or services without reservation shall not be construed as a waiver of any claims for damages we may have as a result of delayed delivery; this applies until the price owed by us for the relevant product or service has been paid in full.

3.5 Partial deliveries are generally not permitted, unless we have expressly consented to partial delivery or partial delivery is not unduly burdensome for us.

3.6 For all unit numbers, weights and measurements, the values determined by us during incoming inspection of the goods are controlling, unless evidence to the contrary is produced by Supplier.

3.7 We shall have the right to use, to the extent provided for by applicable law (German Copyright Act §§ 69a et seq.), any software included within the scope of delivery, including all related documentation, and the right to use such software with the agreed performance features and to the extent necessary for the agreed use of the product. We may create backup copies with or without Supplier's consent.

4. Force Majeure

4.1 In the event of any force majeure, business disruptions not caused by our own wrongdoing, riots, government actions or any other unavoidable events, we shall have no obligation to accept products or services from Supplier on the agreed dates for the duration of such events. For the duration of such events, as well as for two weeks thereafter, we have the right - without prejudice to any other rights - to rescind the contract in whole or in part, if such events are of substantial duration and our requirements have substantially diminished because we were forced to procure alternative products or services as a result of the event.

4.2 The provisions of Section 4.1 shall also apply in the event of any labor disputes.

5. Pricing and Transfer of Risk

Unless otherwise agreed, all prices include delivery at the named place of destination and free of customs clearance (DDP, Incoterms 2010) and packaging, and are exclusive of VAT. Supplier shall bear the risk of loss until the goods are accepted by us or one of our agents at the agreed place of destination.

6. Payment Terms

Unless otherwise agreed, invoices shall be settled within 30 days subject to a 3% cash discount within 60 days without any discount, in each case from the payment due date and receipt of the invoice as well as of the product or service. Payment is in each case made subject to verification of the invoice.

7. Defects in Quality and Defects in Title

7.1 Products and services are accepted subject to an inspection for defects, including, without limitation, an inspection for correctness and completeness of delivery, to be performed to the extent that and as soon as this is reasonably practicable for us in the ordinary course of business. Goods shall be inspected within a time period of four days. Supplier shall be provided with prompt notice of any defects discovered during the inspection. Supplier hereby waives the defense of delayed notice of defect.

7.2 Any defects in quality or defects in title shall be governed by applicable law, unless provided otherwise below.

7.3 We generally have the right to choose the method of remedial performance. Supplier may reject the method of remedial performance chosen by us, if the method would be associated with unreasonable cost.

7.4 If Supplier fails to commence curing a defect within a reasonable time period of a demand by us, and in urgent cases where it is no longer possible to notify Supplier of the defect and imminent damages, and to set Supplier a deadline, albeit a short one, to take remedial steps of his own, including, without limitation, cases involving imminent danger or the avoidance of major damages, we have the right to take such steps ourselves or to ask third parties to take such steps for us, at Supplier's expense.

7.5 In the event of any legal defects, Supplier shall also indemnify us against any claims of third parties, unless Supplier bears no responsibility for such defects.

7.6 Any claims for defects - except in cases involving fraud - are subject to a limitation period of three years, unless the product was used for a building in accordance with standard practice and caused the building to be defective. The limitation period begins to run on the date the Contract Products/Services are delivered (transfer of risk).

7.7 If Supplier fulfills its obligation of remedial performance by delivering a replacement product, the limitation period begins to run anew for the replacement product, unless Supplier expressly and correctly states at the time of remedial performance that the product is replaced only as a courtesy, to avoid disputes, or in the interest of a continued supplier relationship. Moreover, the limitation period does not begin to run anew, if the defect is only minor and could be cured at only minor cost.

7.8 In addition to the above warranty obligations, Supplier is responsible for all costs incurred by us as a result of a delivery of defective Contract Products/Services, including, without limitation, costs of transportation, travel, labor, installation, de-installation and materials, and the costs of any incoming inspection that goes beyond what is standard in the industry.

8. Product Liability

8.1 Supplier shall indemnify us against and hold us harmless from any product liability claims, if and to the extent that the damages were caused by defective Contract Products/Services delivered by Supplier. In cases where liability attaches only in the event of wrongdoing, the foregoing shall however apply only if Supplier has engaged in wrongdoing. If the cause of the damages was within the reasonable control of Supplier, Supplier must prove that Supplier engaged in no wrongdoing.

8.2 In the cases defined in Section 8.1, Supplier shall pay all costs and expenses, including any legal fees.

8.3 All other matters shall be governed by applicable law.

8.4 Prior to any product recall which is, in whole or in part, a consequence of defective Contract Products/Services delivered by Supplier, we will notify Supplier providing Supplier with an opportunity to cooperate on the recall and discussing the efficient implementation of the recall with Supplier, unless notification of Supplier is impossible due to the special urgency of the matter. If a product recall is the result of

defective Contract Products/Services delivered by Supplier, Supplier is responsible for the costs of the recall.

9. Rescission and Termination Rights

9.1 We have the right to rescind or terminate the contract with immediate effect in the cases defined by applicable law or if

- Supplier has discontinued making deliveries to its customers,
- Supplier's financial condition has substantially deteriorated or is about to do so, jeopardizing Supplier's ability to perform its supply obligations to us,
- Supplier has become unable to make payment or has become over-indebted, or
- Supplier has stopped payment.

9.2 In addition, we have the right to rescind or terminate the contract, if Supplier has filed a petition for institution of insolvency proceedings or comparable proceedings for the settlement of Supplier's debts.

9.3 If Supplier has rendered partial performance, we have the right to rescind the entire contract only if we have no interest in partial performance.

9.4 If we rescind or terminate the contract based on the foregoing contractual rescission or termination rights, Supplier shall indemnify us for all resulting damages, unless Supplier bears no responsibility for the circumstances giving rise to our right of rescission or termination.

9.5 Any additional rights or claims we may have under applicable law shall remain unaffected by the provisions of this section 9.

10. Performance of Work

All persons performing work on the property or at the plants of LPKF in the performance of this contract shall comply with the applicable company rules. Any liability for personal injuries suffered by such persons on our property is hereby excluded, unless such injuries were caused by willful or negligent breaches of duty by our legal representatives or agents.

11. Supplied Materials

All materials, parts, containers and special packaging supplied by us remain our property and may only be used for their intended purpose. Any processing of materials or assembly of parts is done in our interest and for our benefit. It is hereby agreed that we shall become co-owners of any products produced by Supplier using our materials or parts, with our co-ownership interest being based upon the value of the materials supplied relative to the value of the total product, and that such products shall, to the extent of our co-ownership interest, be held in bailment for us by Supplier.

12. Documents and Confidentiality

12.1 All commercial or technical information made accessible by us to Supplier (including features apparent from any delivered items, documents or software, and any other information or experience) shall, as long as and to the extent that they are not shown to be in the public domain, not be disclosed to any third parties and shall be made available only to those persons in Supplier's own company who must be associated to use such information for the purpose of delivering products or services to us and who are, in turn, made subject to a duty of confidentiality; all such information remains our exclusive property. Except with our prior written consent, such information shall not be reproduced or used for commercial purposes except for making deliveries to us. Upon our demand all information received from us (including any copies or records thereof) and items loaned to Supplier by us shall be returned to us or destroyed promptly and fully. We hereby reserve all rights to such information (including copyrights and the right to register intellectual property rights, such as patents, etc.).

12.2 Products made based upon documents drafted by us, such as drawings, models and the like, or based upon confidential information made available by us, as well as products made with the help of our tools or tools modeled after our tools, shall not be used by Supplier or offered or delivered to any third parties. The same shall apply, mutatis mutandis, to our printing orders.

13. Export Control and Customs

Supplier is obligated to disclose to us in its business records of any approval requirements for the (re-) export of its goods under German, European, or U.S. export or

customs laws, as well as under the export and customs laws of the country where the goods originate. Supplier's offers, order confirmations and invoices for products must include at least the following information:

- the export list number in accordance with Appendix AL of the German Foreign Trade Regulations, or comparable list numbers of applicable export lists,
- for U.S. goods, the export control classification number (ECCN) in accordance with the U.S. Export Administration Regulations (EAR),
- the non-preferential origin of Supplier's goods and their components, including technology and software,
- whether the goods are transported through, manufactured or stored in the U.S., or are manufactured using U.S. technology,
- the statistical product number (HS code) of Supplier's goods, and
- a contact person at Supplier's company who will answer any questions we may have.

Upon our demand Supplier shall provide us in writing with any additional foreign trade data for its goods and their components, and informing us in writing (prior to delivery of the goods involved) of any changes to the aforementioned data.

14. Compliance

14.1 Supplier agrees to comply with all applicable laws and regulations regarding the treatment of employees, environmental protection and occupational safety, and to make efforts to reduce any adverse effects Supplier's business activities may have on humans or the environment. In addition, Supplier agrees to meet the standards of the Global Compact Initiative of the UN. These standards essentially relate to international human rights, the right to collective bargaining, the abolition of forced labor and child labor, non-discrimination during hiring and employment, responsibility for the environment, and prevention of corruption.

14.2 In the event that a Supplier repeatedly and/or despite demand violates applicable laws and fails to furnish proof that the violation of law was remedied to the greatest extent possible and that reasonable precautions have been taken to avoid future violations of law, we reserve the right to rescind existing contracts or terminate such contracts without notice.

Supplier discloses any use of "conflict minerals" according to US-American Dodd-Frank-Act.

15. Place of Performance

The place of performance is the place at which the products or services are to be delivered under the contract terms.

16. Miscellaneous Provisions

16.1 If any provision of these Terms and Conditions, or any other agreements made by the parties, is or becomes invalid, the validity of the remaining provisions shall remain unaffected thereby. The parties shall replace any invalid provision with such valid provision as most closely approximates the economic effect of the original provision.

16.2 All contracts between the parties shall be governed exclusively by German law, with the exception of German conflict of laws rules and the provisions of the UN Convention on Contracts for the International Sale of Goods, which are hereby excluded.

16.3 The place of jurisdiction for any disputes arising, directly or indirectly, from contracts between the parties subject to these Terms and Conditions of Purchase shall be Hannover, Germany. In addition, we have the right to file legal action against Supplier in a court at Supplier's registered office or place of business or in a court at the place of performance.

Stand: April 2017