



General Terms and Conditions of Purchasing of Bystronic Laser AG

General

1. These general terms and conditions of purchasing ("**T&Cs**") apply to the purchasing system of Bystronic Laser AG ("**BYSTRONIC**") for business relations with their suppliers ("**SUPPLIER**"). Unless otherwise agreed, they form the basis of our requests for quotations, orders and contracts. Any deviations from these T&Cs require a written agreement between BYSTRONIC and the SUPPLIER.
2. General terms and conditions presented by the SUPPLIER – e.g. when submitting a quotation or confirming an order – do not form part of the agreement, even if BYSTRONIC does not object to them.

Quotations

3. Quotations made by the SUPPLIER are completely free of charge to BYSTRONIC.
4. The quotation is drawn up in accordance with the request for quotation. Any deviations must be clearly indicated by the SUPPLIER.
5. Unless otherwise agreed, the quotation is valid for the duration of 3 months.

Conclusion of contract

6. The delivery contract becomes effective in response to BYSTRONIC's written order upon receipt of the SUPPLIER's written order confirmation by BYSTRONIC.
In the event of any deviations of the order confirmation from the order, such deviations must be clearly emphasized.
7. If BYSTRONIC does not receive the SUPPLIER's order confirmation 7 days after the date of ordering at the latest, the contract is regarded as having been concluded on the basis of the conditions contained in the order, including these T&Cs.
8. Call-off orders under a framework agreement become binding upon receipt by the SUPPLIER.
9. BYSTRONIC is entitled to withdraw from an order up to the date of conclusion of contract without entailing any obligation to pay compensation.
10. Unless otherwise agreed in writing, the prices indicated in the order are fixed prices. In the case of orders not indicating any prices or indicating guide prices, the SUPPLIER's order confirmation requires BYSTRONIC's consent.

Documents

11. Drawings, calculations, models, dies, samples and all other documents made available to the SUPPLIER remain the property of BYSTRONIC. Without BYSTRONIC's written consent, they must not be made known to any third parties. Nor may they be used to manufacture any third-party products. Any copyrights are due to BYSTRONIC. Upon request, all documents must be furnished to BYSTRONIC and any copies destroyed.
12. Any devices, gages, tools, models, molds, etc. provided or paid for by BYSTRONIC remain the property of BYSTRONIC and must be designated accordingly. They must be stored and maintained in an appropriate manner and insured against all damage and loss. They must not be modified, destroyed or used for third parties without BYSTRONIC's written consent. In no case has the SUPPLIER any right of retention.

Subcontracting

13. The goods provided by BYSTRONIC for processing remain the property of BYSTRONIC. Processing orders and finishing orders must be performed in strict compliance with BYSTRONIC's drawings and standards. The goods provided must be insured against damage and loss.
14. The SUPPLIER has no right of retention whatsoever to any goods provided by BYSTRONIC.
15. The SUPPLIER is liable for improper handling, storage, damage or loss of the goods.

Delivery

16. Delivery is made DDP excl. VAT (as per Incoterms 2010) to the place of delivery indicated in the order or call-off order.
17. The delivery quantity must not deviate from the agreed quantity. Partial deliveries and advance deliveries are permissible only after express approval by BYSTRONIC.
18. The agreed delivery date is deemed to have been met if the goods arrive at the place of delivery on the given date.
19. The delivery dates agreed are binding. BYSTRONIC must be notified immediately of any delays in delivery.
20. If the delivery time is not observed, the SUPPLIER is in default ipso jure. BYSTRONIC is entitled to demand a fine of 2% of the value of goods delivered for each week or part

of week of delayed delivery, but no more than 10%.

21. Moreover, the SUPPLIER is obliged to pay damages to BYSTRONIC for all damage arising from a delayed delivery. This also applies to any costs incurred by BYSTRONIC that arise from failure to observe instructions, incomplete or late delivery of requested shipment documents or as a result of incorrect delivery. If an additional deadline for delivery set to the SUPPLIER passes without delivery being effected, BYSTRONIC is also entitled to insist on further fulfillment and compensation for further damage or to cancel the whole order.

Shipment, transport, packaging, invoice and payment

22. Every shipment must include a delivery note.

The delivery note and the invoice must always contain the following details:

- a) Complete number of the order
- b) Name of BYSTRONIC contact or name of the recipient
- c) BYSTRONIC material number
- d) Description of the goods
- e) Delivery quantity, price per unit
- f) Details of partial delivery or delivery of remainder of goods
- g) Production date
- h) Country and region of origin
- i) Customs tariff number (statistical goods number)
- j) Net weight in kg per unit.

Each item must have a clearly visible label or other designation.

23. A separate invoice must be made out for each order. VAT must be indicated separately. The invoice must show whether partial deliveries or deliveries of remainder of goods were performed.
24. The payment deadline begins at the date of receipt of invoice but no earlier than the date of delivery of goods in perfect condition. Unless otherwise agreed in writing, the deadline for payment is 60 days.
25. Agreed contributions to costs of molds, models and tools to be made by BYSTRONIC are only due for payment when inspected parts have been acknowledged by BYSTRONIC as being in good order.
26. For shipments made ex works from abroad on the basis of an appropriate agreement between the SUPPLIER and BYSTRONIC, shipping instructions must be obtained from BYSTRONIC in good time.
27. The SUPPLIER is liable for damage to goods during shipping, including loading and unloading, as a result of inadequate packaging.

Passing of risk and title

28. Risk and title pass upon acceptance of the goods by BYSTRONIC at the agreed place of delivery.

Warranty and liability

29. The SUPPLIER guarantees that the goods display the promised properties, have no defects diminishing their value or impairing their suitability for the intended use, that they correspond to performance and specifications offered by the SUPPLIER, and that they are of faultless quality. The goods must meet all regulations of public law at the place of use – if these regulations were indicated to the SUPPLIER – and, specifically, conform to the pertinent EU directives. The SUPPLIER is fully liable for the performance and deliveries of his subcontractors.
30. The goods to be delivered must be inspected by the SUPPLIER prior to shipment. The legal requirements on BYSTRONIC to examine and make a complaint in respect of a defect immediately on receipt of goods by BYSTRONIC are waived. The only exception to this provision is apparent external transport damage, that must be notified to the SUPPLIER within ten days.
31. A serial defect exists when the same or similar defects are found on more than 5% of the same goods delivered in the past 12 months prior to the date of making the complaint. If BYSTRONIC complains about a serial defect, this complaint concerns all of the same goods for which the warranty period pursuant to section 32 below had not expired at the date of making the complaint. The condition for registering a serial defect is that the SUPPLIER has delivered at least 100 units of the same goods to BYSTRONIC within the past 12 months prior to the date of making the complaint.
32. The warranty period is twenty-four months, without limitations relating to working shifts, as of delivery of faultless goods. Where longer warranty periods are stipulated by law or customary industrial practice, these periods apply.
33. Defective deliveries entitle BYSTRONIC for the full duration of the warranty period to demand either replacement delivery or rectification at the SUPPLIER's expense. In urgent cases or when the SUPPLIER cannot immediately rectify the defects complained about, BYSTRONIC is entitled to rectify the defects or have them rectified at the SUPPLIER's expense. If the SUPPLIER fails to rectify the goods within the deadline set by BYSTRONIC, or if such rectification is not successful, BYSTRONIC is entitled to cancel the whole

order. The SUPPLIER is in any case, regardless of culpability, obliged to render full compensation (including transport costs, travel costs, costs of installation and removal, compensation for damage caused by follow-up defects).

34. In the event of a serial defect, BYSTRONIC is additionally entitled to the option for rectification of the serial defect in accordance with the rights pursuant to section 33 above. According to this option, BYSTRONIC may:
- demand that the SUPPLIER replace all delivered goods with new, faultless goods at his own expense, regardless of whether the individual items are defective or not; or
 - demand that the SUPPLIER inspect all delivered goods and replace or rectify any goods found to be defective during this inspection at his own expense.
35. The warranty period for replacement deliveries or rectification is twelve months, but shall run at least until the expiry of the original warranty period for the entire delivery.
36. Acceptance and payment of the goods does not exclude any subsequent complaints about defects by BYSTRONIC.
37. Prior approval of SUPPLIER's drawings, calculations, etc. by BYSTRONIC does not restrict BYSTRONIC's warranty rights.
38. The SUPPLIER guarantees delivery of spare parts for at least ten years as of the date of last delivery of goods.
39. After giving appropriate notice, BYSTRONIC is entitled to perform audits on the SUPPLIER or his subcontractors.

CE conformity

40. The goods to be delivered must conform to the recognized rules of engineering with regard to safety. Goods that fall under the scope of one or more EU directives must meet their regulations. This applies in particular to the Machinery Directive 2006/42/EC, the Low Voltage Directive 2014/35/EC, and Directive 2014/30/EC on Electromagnetic Compatibility and their respective subsequent amendments. The SUPPLIER is responsible for determining which directives are applicable. The SUPPLIER undertakes to disclose the documents required for evaluating conformities upon request. If he fails to comply with such a request, the agreement is regarded as not having been duly performed, and BYSTRONIC is entitled to demand payment of damages.

Property rights

41. The SUPPLIER is liable for ensuring that use of the goods does not violate any third-party

property rights or business secrets. He must indemnify and hold BYSTRONIC harmless with regard to any such third-party claims.

Product liability

42. If the SUPPLIER is responsible for a product fault, he undertakes to indemnify and hold BYSTRONIC harmless with regard to third-party claims for damages upon first request.
43. The SUPPLIER must inform BYSTRONIC of any possible faults or risks posed by his products also purchased by BYSTRONIC. If BYSTRONIC is forced to warn customers or withdraw its own products due to faults in goods delivered by the SUPPLIER, the SUPPLIER is liable to compensate BYSTRONIC for any costs incurred, regardless of culpability.
44. The SUPPLIER undertakes to take out and maintain product liability insurance with globally valid coverage for personal injury/damage to property and for costs of installation and removal. The amount of the SUPPLIER's coverage does not limit the damages claimed for by BYSTRONIC.

Ethical standards

45. In performing his own activities and actions of fulfillment and also with regard to his subcontractors and other contractual partners, the SUPPLIER undertakes to ensure the observation of basic ethical standards such as, particularly, observing human rights in keeping with local law and the UN's Universal Declaration of Human Rights, refraining from forced labor, refraining from child labor, not discriminating employees, observing applicable environmental regulations and standards, and refraining from any form of corruption.

Confidentiality

46. The SUPPLIER undertakes to treat confidentially all information pertaining to the business relationship that is neither in the public domain nor generally accessible and not to use such information for his own purposes or any other purposes not covered by the agreement. Confidentiality must be maintained even before conclusion of the agreement and remains in force after the end of the contractual relationship. If the SUPPLIER wants to use this contractual relationship for promotion or publication purposes, he requires prior written approval from BYSTRONIC.

Changes to the agreement

47. Changes and amendments to the agreement between the SUPPLIER and BYSTRONIC must be made in writing. If any provision of these T&Cs is or becomes invalid, the remaining

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part of the T&Cs nevertheless applies by analogy.

Force majeure

48. In the event of force majeure, the parties may not be prosecuted for non-performance of the agreement.

Applicable law and court of jurisdiction

49. The orders and deliveries are subject to Swiss law and exclude the provisions of the United Nations Convention on Contracts for the International Sale of Goods (the "Vienna Convention") of 11 April 1980. **The place of performance and legal venue is the company domicile of BYSTRONIC.**

December 2015