

LASERVORM GmbH, Terms and Conditions of Delivery and Service

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A General Terms and Conditions

These General Terms and Conditions shall apply to all legal transactions within the framework within which we provide deliveries and services to our customers and which are entrepreneurs within the meaning of Sec. 14 BGB (German Civil Code) or legal persons under public law or a special fund under public law.

We provide all deliveries and services on the basis of these General Terms and Conditions, as well as the relevant special conditions that are set out below. The customer's own terms and conditions of business shall not become part of the contract, even if we do not expressly refuse them at the time of order acceptance, conclusion of contract or performance of the service/delivery.

§ 1 Offer, Conclusion of Contract

1. Our offers are required to be in text form to be effective.
2. A contract comes into existence if
 - a) we confirm the customer's order in text form or
 - b) the customer accepts our offer in text form or
 - c) we provide the service to the customer upon the customer's order or deliver the ordered item to the customer.

Any declaration of acceptance by the customer deviating from our offer constitutes a new offer and must be accepted by us in text form in order to conclude an effective contract.

§ 2 Prices and Payment

1. The prices in our offer are stated in Euro and do not include the statutory value added tax applicable at the time of delivery or performance of services.
2. Unless otherwise agreed upon, the prices are quoted ex works Altmittweida. Expenses for packaging, postage, freight, insurance, bank charges and customs expenditures are not included and are invoiced to the customer separately.
3. Deduction of a discount is only permissible if it has been expressly agreed upon in the contract in text form.
4. The customer shall only have the right to offset against any counterclaims if their claims arise from the same contractual relationship.

§ 3 Delivery Time, Default, Contractual Penalty, Passing of Risk

1. The dates for delivery/service agreed between the customer and us are binding.
2. In order to comply with the period for delivery/service, it is necessary that all technical and commercial questions between the contracting parties have been clarified and that the customer has fulfilled all contractual and legal obligations. If this is not the case, the delivery/service date shall be postponed by

the time the customer is in delay of the fulfilment of their obligations culpably caused by them.

3. Our compliance with the time for delivery/service is subject to correct and timely availability of supplies. We shall inform the customer immediately of any delays that may become apparent.
4. If we are culpably in default of delivery/service, we shall owe to the customer a contractual penalty of 0.1% of the price agreed for the delayed contractual items, for each completed week of default, up to a maximum of 5% of said price. Irrespective thereof, the customer's right to claim damages in the event of a default in delivery/service shall remain unaffected. However, any payable contractual penalty shall be set off against the customer's claim for damages.
5. With sales contracts and contracts for work and materials (*Werklieferungsvertrag*), the risk shall pass to the customer at the time the contractual items leave our place of business. This shall also apply, if the contractual item is dispatched at the customer's request or if we have contractually undertaken to render any other services (e.g. instruction, training).
6. With contracts to produce a work (*Werkvertrag*), the risk shall pass to the customer at the time of their acceptance of the contractual items.

§ 4 Force majeure

1. Any interference with the contractual relationship due to force majeure, strike, unforeseeable events that are beyond the contracting parties' control (e.g. natural disaster, war, etc.) and have relevant influence on our performance due under the contract, shall release us from the duty to deliver/perform the service for the duration and to the extent to which the interferences prevail.
2. Any agreed upon deadlines shall be postponed for the duration of such interference.

§ 5 Warranty

1. In the event of a defective delivery or service at the time of passing of risk, we shall be entitled to subsequent improvement.
2. The place of performance for the subsequent improvement shall be the contractually agreed upon destination of the contractual item. If such destination has not been agreed, the customer's place of business shall be the relevant place. If the customer has subsequently taken the contractual item away from the contractually agreed destination or their registered office and this was not done in line with the intended use of the contractual item, we shall accept no liability for any additional expenses relating to transportation, travelling, labour and material that result from such transfer.
3. If the customer has installed the contractual item in another object or thing in accordance with its intended use and type, they shall be entitled to claim reimbursement of expenses for any installation and removal in accordance with Sec 439 (3) BGB (German Civil Code) in the event of a defect. Such claim shall only apply to the removal and installation of an identical contractual item. The customer has no right to an advance payment of such costs. If the expenses claimed by the customer according to Sec. 439 (3) BGB are disproportionately high in the individual case (more than 150 % of the purchase price of the contractual item when free of defects or 200 % of the reduced value of the contractual item

due to a defect), we shall be entitled to refuse the claim.

4. If the customer reports a defect and such defect actually does not exist or if we cannot be held responsible for such defect, the customer shall be obliged to reimburse our expenses for the examination of the defect (travel expenses, working time and transportation expenses).
5. Usual wear and tear occurring during the intended use of the contractual item does not constitute a defect and does not lead to any warranty obligation on our part.
6. If the contractual item violates any domestic industrial property rights or copyrights and we are responsible for this, we shall obtain the rights necessary for the fulfillment of the contract vis-à-vis the customer, at our own expense. If this is not possible, we shall modify the contractual item at our own expense in a manner reasonably acceptable to the customer, so that the infringement of industrial property rights no longer exists and the customer is able to use the contractual item as provided for in the contract. If this is not possible under economically reasonable conditions and within a reasonable period of time, both parties are entitled to withdraw from the contract. Furthermore, we shall indemnify the customer against any undisputed or legally established claims of the holders of such rights. Our obligations resulting from these provisions are final, unless there is intentional or gross negligence, a culpable violation of life, body, health, fraudulent concealment of the infringement of industrial property rights, a violation of a promise of guarantee on our part or existing claims according to the German Product Liability Act for personal injury or damage to property intended for private use. Any liability on our part shall be subject to the condition that the customer:
 - a) immediately informs us in text form about the infringement of the industrial property right or copyright,
 - b) supports us in the defence of the infringement of the right to a reasonable extent,
 - c) allows reasonable time for us to modify the contractual item within the above-described meaning,
 - d) leaves the defensive measures, including out-of-court settlement, to us,
 - e) has not instructed us to infringe any rights.

Our liability shall be excluded if the customer has caused the infringement of rights by a modification of the delivered item or its use contrary to the terms of contract. Furthermore, our liability shall be excluded if the contractual item has been manufactured by us according to the customer's drawings, specifications or performance specifications and the infringement of rights is due to its contents.

7. The customer's rights to claim compensation for defects can be excluded if compliance with their obligation to inspect and notify defects immediately is not met (Sec. 377 HGB (German Commercial Code)).
8. If the delivered contractual item is a used item, liability for defects shall be excluded, unless otherwise agreed or unless there is fraudulent concealment of the defect or the defect relates to a contractually agreed guarantee of quality or durability.

§ 6 Damages

1. We shall only be liable for any damage which has not occurred directly to the contractual item itself in the event of intent, gross negligence, culpable injury to body, life and health, failure to comply with a promise of guarantee, fraudulent concealment of a defect or liability in accordance with the Product Liability Act for personal injury and damage to items of property intended for private use.
2. In the event of a culpable violation of essential contractual obligations, we shall also be liable for gross negligence on the part of non-executive employees and vicarious agents, as well as for slight degree of negligence, with liability being limited in the latter case to any damage or loss that is typical for the contract and could reasonably be foreseen.
3. Our liability for damages beyond the provisions of paragraphs 1 and 2 above shall be excluded.

§ 7 Statute of Limitations

1. Any claims based on defects shall become statute-barred 1 year after the passing of risk.
2. Notwithstanding this, a limitation period of 5 years shall apply, if the contractual item delivered by us is usually intended for installation in a building or if our performance of service consists of a building.
3. In the event any liability for intent, gross negligence, culpable injury to body, life and health, fraudulent concealment of a defect or liability in accordance with the Product Liability Act for personal injury and damage to items of property intended for private use, the statutory periods of limitation shall apply.
4. In the event of subsequent performance, the warranty period shall commence anew for any defect that has expressly been acknowledged. The period will not commence anew in the event of an arrangement on generous terms.

§ 8 Retention of Title

1. We retain title to the object of the sales contract, the contract to produce a work or the contract for work and materials until payment (including ancillary services) under the respective delivery/service contract has been effected in full.
2. Any processing, pledging, sale or transfer of the contractual items is not permitted until the customer has met their payment obligations under the contract in full.
3. Our customer is obliged to treat the contractual items with care, as long as ownership has not yet passed to them. The customer is in particular obliged to insure it adequately against any damage caused by theft, fire and water at their own expense. If maintenance and inspection works need to be carried out, our customer shall perform such works in good time at their own expense.
4. As long as ownership has not yet passed to the customer, they shall inform us immediately in text form if the delivered item is subject to seizures or other interventions by third parties. To the extent the third party is not in a position to reimburse us for the court and out-of-court costs of a legal action pursuant to Sec. 771 ZPO (Code of Civil Procedure), the customer shall be liable for the loss incurred by us.
5. We undertake to release the securities to which we are entitled at the customer's request, to the extent the realisable value of such securities exceeds the claim to be secured by more than 10%. We shall select the securities to be released.

§ 9 Rights of Retention

The customer may only object to rights of retention if their counterclaims originate from the same contractual relationship.

§ 10 Prohibition of Assignment

The customer is not entitled to assign or transfer any claims/rights under the contractual relationship to third parties without our express approval in text form, except for monetary claims.

§ 11 Confidentiality and Industrial Property Rights

1. All business and technical documents and information made available to the customer in the course of a request or the conclusion of the contract and its implementation shall be kept confidential, unless they are proven to be in the public domain. Furthermore, we shall retain any property rights and copyrights to such documents and information. The information may not be passed on to third parties without our express approval in text form.

2. If we produce contractual items according to the customer's drawings, specifications or performance specifications which result in the violation of any industrial property rights of third parties, which we were not aware of, the customer shall indemnify us against any third party claims in this regard and shall reimburse us for any costs for legal defence.

§ 12 Requirements of Form

Declarations of intent (e.g. offers, order confirmations, cancellations, demands for rectification of defects, etc.) require the text form to be effective. The text form shall also be deemed to have been fulfilled if the declaration of intent is transmitted by fax, remote data transmission or any other electronic means.

§ 13 Miscellaneous

Should any of the above provisions be or become invalid, the validity of the remaining provisions shall not be affected thereby.

§ 14 Place of Performance

1. The place of performance for the supplier's deliveries/services shall be our place of business, unless any other place has been contractually agreed.

2. The place of performance for any payment obligations shall be our place of business.

§ 15 Applicable Law

The law of the Federal Republic of Germany shall apply exclusively. The UN Convention on Contracts for the International Sale of Goods does not apply.

§ 16 Place of Jurisdiction

Place of jurisdiction for all disputes arising out of the business relationship shall be the court having local jurisdiction for D-09648 Altmittweida.

B Special Conditions

In addition to the above General Terms and Conditions, the following Special Conditions shall apply for the

I Supply of Laser Machinery and/or Installation Components for Laser Machining

If we owe the delivery of laser machines or installation components, the following Special Conditions shall apply in addition to the above General Terms and Conditions:

(1) We may perform partial deliveries to the extent they are reasonable to the customer.

(2) In derogation of part A Sec. 2(2), prices include loading of the contractual item at our place of business.

(3) Unloading and transport of the contractual item at the place of installation shall be the customer's responsibility.

(4) Until the delivery date, the customer shall, at their own expense, have the necessary connections to utilities (e.g. compressed air, electricity, shielding gas, etc.) available, or provide for them, which are required for the operation of the contractual item.

(5) The customer or their employees must be instructed prior to the first use of the contractual item.

(6) If the scope of delivery includes any software, the customer is granted a non-exclusive right to use the software, including the associated documentation, to the extent necessary for the use of the machinery/equipment as stipulated in the contract. The software will be provided solely for the use of the machinery/equipment that is the subject matter of the contract. The software may only be passed on to third parties together with the machinery/equipment. The customer or holder of the delivery item is prohibited from using the software on any other systems. The customer may only reproduce, edit, translate the software, or convert it from the object code into the source code, to the extent provided for by law (Sec. 69a UrhG (German Act on Copyright and Related Rights)). The customer agrees not to remove or modify manufacturer information, in particular copyright notices, without our express approval. Any other rights to the software and documentation including any copies thereof shall remain with us, our supplier, the manufacturer of the software or any other owners of the rights to it. Sublicenses may not be granted. There is no entitlement to updates, unless otherwise contractually agreed.

(7) It is the customer's responsibility to procure the public approvals which may be required for the installation, operation, import or export of the contractual item into the country or to foreign countries.

(8) To the extent acceptance has been agreed or is required by law, such acceptance shall be decisive for the passing of risk. Acceptance must take place immediately after we have notified the customer that the goods are ready for acceptance. If acceptance is delayed for reasons for which the customer is responsible, the costs incurred by us as a result of the delay shall be borne by the customer. If acceptance is delayed without any fault on our part, acceptance shall be deemed to have been effected if we have set the customer a reasonable deadline and they have not rejected acceptance within this deadline, stating a deficiency in our service.

(9) In the absence of any other agreement, payment shall be made without any deduction to the bank account specified by us in the following way:

- 30% of the total order value after conclusion of the contract,

- 60% of the total order value as soon as the main parts are ready for dispatch and we have informed the customer accordingly,

- 10% of the order value 10 calendar days after acceptance and receipt of our invoice by the customer.

II Services

These Special Conditions for services shall apply to contracts relating to the provision of maintenance, repair and assembly services.

- (1) During the performance of such services on machinery/equipment, our personnel must be given free access to them and must be allowed to decide on their non-operation. This can result in the machinery/equipment not being available for use in production.
- (2) If the machinery/equipment on which the services are to be performed has not been supplied by us, the customer must inform us in text form, prior to the conclusion of the contract, of any industrial property rights or any other rights of third parties, if these affect our services. If third party rights are infringed in this respect, our customer shall indemnify us from any third party claims, unless we are responsible for the infringement of rights.
- (3) The customer shall inform us in text form, if the machinery/equipment on which the services are to be performed is not owned by them.
- (4) The customer shall ensure that all factual and legal conditions are created in their business unit for the provision of the contractually owed services. The customer will take any measures necessary to adequately protect their property and any persons present at the place of performance in addition to our employee/s. Prior to the conclusion of the contract, the customer must inform us of any special safety regulations applying to their company and being relevant to the performance of our services.
- (5) The customer shall provide any required lifting device, scaffolding, compressors, etc. at their own expense. They shall also provide heating, lighting, operating power, water, electricity, internet access, including the necessary connections, at their own expense.
- (6) Prior to the conclusion of the contract, the customer shall inform us in text form of any contamination, possible residues in the items to be repaired or their surroundings that are dangerous to health, as well as any transport risks and any other measures relevant to the repair that are to be taken.
- (7) If it becomes necessary for the performance of the services to take the machinery/equipment or parts thereof to our place of business, any packing, loading and transport shall be the customer's responsibility. Any transport (to us and back to the customer) shall be carried out at the customer's risk. The customer shall insure the machinery/equipment sufficiently, in particular against theft and fire, for the duration of transport and the period in which the machinery/equipment is at our company. If the customer culpably delays the return transport of the machinery/equipment to their company, we are entitled to charge them for the storage costs.
- (8) The customer shall accept our services immediately after we have notified them of the completion of the order. Acceptance shall also be deemed to have been effected at the time the customer puts the machinery/equipment into operation again.
- (9) Removed parts shall remain the property of the customer, unless otherwise agreed in the contract. Such parts must be disposed of at the customer's expense, if necessary.

- (10) Any travel expenses (travel costs and accommodation), costs for material and transportation shall be borne by the customer. The same shall apply to services performed during the warranty period if there is no warranty claim.
- (11) Billing shall be based on time units, unless a lump-sum price has been expressly agreed upon.
- (12) Our prices apply to the provision of the service from Monday to Friday, unless these days are public holidays, from 7 a.m. to 6 p.m. Any performance of work outside of these hours requires a separate agreement and the customer shall bear any accruing surcharges.
- (13) If repair work cannot be carried out successfully because the defect complained about did not emerge during our examination, a necessary spare part cannot be procured, the customer has culpably failed to meet the agreed deadline or terminates the contract during performance, the customer shall nevertheless owe us the reimbursement of our expenses (working time [including troubleshooting time], travel costs, costs for material and transportation).
- (14) Payment becomes due upon acceptance of the services performed or if the repair work is terminated due to reasons stated in part II **Services** para. (13), and must be effected without deduction, no later than 10 calendar days after receipt of an invoice, to the bank account specified by us.

III Job Order Production

If we owe contractual services in relation to job order production, the following Special Conditions shall apply in addition to the above General Terms and Conditions:

- (1) The customer's request or order must include the following information concerning the workpieces to be processed by us (where applicable): description, quantity, net weight (per piece), value of the part in Euros, type of packaging. Depending on the type of procedure, the following shall apply:
 - a) Laser welding:
 - drawings containing information about welding depth and welding seam length;
 - material combinations to be welded;
 - evaluation group for irregularities (DIN ISO 13919);
 - information about the desired test method; and
 - information on any required test or operating pressures.
 - b) Laser hardening:
 - if partial hardening is requested, drawings must be attached to the request or order, from which we can clearly see the areas to be hardened and the areas that must remain untreated;
 - the desired degree of hardness according to Vickers;
 - the desired surface hardening depth, with reference hardness value, as well as surface hardness and the exact position of the area to be hardened;
 - information on the desired test method, test centre and test load (see DIN testing standards), and
 - any further information on relevant regulations required for the success of the treatment.
 - c) Laser deposition welding:

- information on the base material and additional material;
 - exact position and definition of the volume to be applied; and
 - information on the desired surface properties.
- (2) If similar workpieces are manufactured from different steel melts, this also needs to be stated and the workpieces delivered must be sorted accordingly, so that each workpiece can be assigned to the corresponding steel melt. The delivery of individual parts or assemblies must be carried out batch-wise.
- (3) If the customer's own devices are handed over to us for the execution of the order, the customer shall ensure that said devices are adequately insured against theft, fire and water. It is also the customer's responsibility to have any repair and maintenance work that becomes necessary during this period carried out at their own expense. We shall not be liable for the wear and tear of the device. We shall only be liable for any damage to the device/s if we have caused them intentionally or due to gross negligence. The customer is obliged to collect the device from us at the time of acceptance of our service. If the customer fails to comply with this obligation, we shall be entitled to return the device to them at their expense and risk or to leave it at our premises and to charge the customer for customary storage costs.
- (4) Our prices apply exclusively to agreed lot sizes. If the lot size is less than agreed (lower quantity), we are entitled to charge the customer for any additional costs incurred. We will inform the customer of these additional costs after inspection of the incoming goods at the latest.
- (5) Our observance of the delivery period requires that the customer delivers the workpieces timely, completely and in proper condition to our place of business and has provided us with all the information and documents within the meaning of the above conditions (part **III Job Order Production**) paras (1) to (2), if applicable.
- (6) The remuneration owed becomes due at the time of passing of risk and shall be paid by the customer without deduction, no later than 10 calendar days after receipt of an invoice, to the bank account specified by us.
- (7) The passing of risk shall take place upon acceptance of our services. Takeover of our services at our place of business, by the customer, shall be considered as acceptance. Moreover, acceptance must take place immediately after we have notified the customer that the service is ready for acceptance (completion of the service). If acceptance is delayed for reasons for which the customer is responsible, the costs incurred by us as a result of the delay shall be borne by the customer. If acceptance is delayed without any fault on our part, acceptance shall be deemed to have been effected, if we have set the customer a reasonable deadline and they have not rejected acceptance within this deadline, stating a deficiency in our service.