

GENERAL BUSINESS TERMS AND CONDITIONS

KIRCHNER UND MÜLLER LASERTECHNIK GMBH / DREMICUT GMBH

The following conditions apply to all business transactions of KIRCHNER UND MÜLLER LASERTECHNIK GMBH and DREMICUT GMBH (known in the following as KMLT) with its contract partners (supplier or customer) provided that in individual cases no other agreements have been explicitly recorded in writing. They are also applicable to written waivers. Should individual points in these conditions not be valid, the validity of other contract points will not be annulled. Business conditions of the customer or third party are not to be used, also in the case when the vendor in individual cases does not specifically disagree with their validity.

PURCHASE / ORDERS

Orders should be confirmed within two working days through an order confirmation. The order volume will be exactly observed, a short delivery cannot be accepted. In individual cases part deliveries are possible upon request. The supplier is obliged to make a replacement delivery in the case of an incorrect or completely false delivery of goods. If in individual cases urgent and feasible improvements are made by KMLT® the supplier will carry any resulting costs. KMLT® is to inform in advance of any changes in material type, material composition, surface condition etc. otherwise KMLT® is not obliged to except a delivery. Return shipments from KMLT® will be strictly non-prepaid, at the cost and risk of the supplier. Orders should be delivered carriage paid, including packaging and – if necessary – including an insurance without charge, on the stated delivery date. If the stated delivery date is missed the supplier without any written reminder will be in default of delivery.

OFFERS / CONTRACT PROCESSING / PROCESSING OF CUSTOMER PARTS

All offers from KMLT® are without obligation and non-binding, in as far as they are not explicitly identified as being binding or do not have a particular acceptance date. Orders can be accepted by the vendor within fourteen days of entry. An order can only be considered as being accepted, when it is affirmed by KMLT® in writing. In the case that the goods are ordered by an electronic means any possible input confirmation does not count as a binding acceptance of an order. The confirmation can, however, be linked to an order acceptance. The price written in the accepted order is only valid for the volume of ordered goods. On the whole it is necessary to know the application before the processing of customer parts. The purchaser of the processing service of customer parts and accordingly material must make sure that there are enough parts and accordingly material for tests and setup steps. The purchaser otherwise carries the risk for the parts and accordingly materials that are used before the actual processing for the application, which may as a consequence be unusable. Even the smallest variation of the material composition and/or the surface condition can lead to significant differences in the laser processing. Changeable processing results, that can be linked to this are not grounds recognised by KMLT® for a reclamation. In this case the purchaser carries the full liability. This is also the case if the parts and accordingly material supplied for the test at KMLT® in their shape and properties are not the same as the later delivered serial parts and accordingly material. Customer parts are insured by KMLT® to a maximum value of € 10,000. For high value parts the customer must decide upon an appropriate insurance for this higher value. The material-denotation and -composition are to be provided unprompted by the supplier. Compositions that are not clearly identifiable from the material-denotation should be separately identified. In general KMLT® does not process materials that react dangerously with the laser processing or carry health risks or could carry them. Orders must be clearly presented and in the written form, supplemental information about the orders should be confirmed in writing, otherwise they cannot be used should any differences occur.

MATERIAL TESTS

Material tests are necessary before the processing of new customer specific or materials unknown to KMLT®. These are in general free of charge, individual tests that require significant programming or work-time, will be charged at the relevant hourly rate for the application in accordance with the quote.

INDIVIDUAL FABRICATION / PROTOTYPE FABRICATION

Individual or prototype fabrication will only be carried out when the purchaser takes on the full risk for the processing. All liabilities are carried by the purchaser for defective processing or other damage, which can lead to the part being partially or totally unusable. The cost for the processing is dependent on the amount of work at the relevant hourly rates in accordance with the quote.

PRESENTATIONS / PUBLICATIONS

KMLT® reserves the right to use all the parts/prototype parts that KMLT® have machined for all types of presentations or publications unless there is a valid nondisclosure agreement or the customer clearly objects to this right in written form at the latest by the exchange of contacts. In order for this objection to be valid it must also be counter-signed by KMLT®.

LIABILITY FOR DEFECTS, RECLAMATION AND LIMIT OF LIABILITY

Naturally KMLT® endeavours to make a correct and faultless delivery. However, should a justified reclamation be necessary, KMLT® commits itself to a rectification or to a replacement delivery. It is for KMLT® to take the time for such actions. Reclamations that are related to clear transport damage are to be claimed against the answerable delivery firm. Hidden transport damage should be immediately reported to KMLT®. If deliveries are not reclaimed, that have visible transport

damage or faults which imply transport damage, but rather in some form are used for manufacturing typical purposes or are further processed the entitlement to any reclamation automatically expires.

Reclamations will only be recognised as such when these are brought to our attention before any further processing or accordingly manufacturing related use of the rejected product, unless it is related to externally non-visible or hidden damage, or faults that are first visible during the processing of the supposedly defected product.

The burden of proof for this is to be provided by the customer. If the purchaser is a business person, the delivered items should be carefully checked upon delivery to the customer or to a third party nominated by the purchaser. Clear defects or other defects observed after a prompt and careful check are to be considered accepted by the customer if within eight working days no letter of complaint is received by KMLT®. With regard to other defects the delivery is to be considered as accepted by the customer unless a letter of complaint is received by KMLT® within eight work days after the defect was first observed. If the defect was visible at an earlier time to the customer under normal utilization then this earlier time is relevant for the beginning of the time in which a reclamation can be made.

The liability is limited to the extent of the contract. This is particularly applicable for the processing for valuable and/or sensitive customer parts. KMLT® does not take on liability for damage that is due to changes in the material composition or variation in the surface to be processed or for damage that is due to effects of external events such as sudden blackouts or other disturbances as well as for subcontractor information about the materials and their properties in particular about the material- and/or surface quality. The customer must in individual cases check the material properties tabled by the suppliers of KMLT® or sub-contractors of left over test samples. KMLT® is not required to check the stated claims about the delivered parts or materials of the relevant supplier. Moreover, no liability will be assumed for any damage caused by such things. This is particularly relevant when damage is caused by such things but it is not recognisable during the processing or could not be recognised. Included in this are unclear, incomplete or incorrect data and/or processing information. Also included are thermal effects due to or as a consequence of the laser beam, both directly related to the material (e.g. possible rust on stainless steel) as well as to the layers or components under the working layer, that are not necessarily elated to the processing goal.

The Purchaser shall be fully responsible to KMLT® for any infringement of patent, trademark or other third party industrial property rights by the product ordered itself, its method of manufacture by KMLT® and its delivery to the Purchaser. If, however, it is expressly agreed between KMLT® and the customer that the manner of manufacture is exclusively the responsibility of KMLT®, the above regulation shall not apply in the case that the manufacturing process itself violates third-party industrial property rights. The customer agrees to indemnify KMLT® against any kind of claims of third parties due to the mentioned infringements and to assist KMLT® in any legal dispute on request. KMLT® shall take recourse against the customer for all damages incurred - in particular for claims by the third party or loss of profit due to impossibility of delivery due to the infringement of third party industrial property rights.

TERMS AND CONDITIONS OF DELIVERY

The deliveries are sent from the factories in Dresden or Neukirch, with additional packaging and delivery-costs. All packets are automatically insured by the carrier to a value of € 500, higher value packets can be individually insured to the respective value of the goods if the customer so wishes. This is possible if a relevant agreement has been agreed with the customer in advance. Therefore, the customer is required to detail the value of the goods. Should they not do this a claim in the event of damage is limited to the value given by KMLT® which is related to the value of the work undertaken by KMLT®. The highest limit for goods insured by KMLT® is € 15,000 per package. Insurance for higher values is the responsibility of the customer. KMLT® reserves the right to choose the best delivery method for KMLT® with regard to price and delivery time. Included in this are express deliveries and deliveries by messenger, carrier, or freight.

DELIVERY TIMES

Transportation time is not part of our delivery time. Naturally, KMLT® tries to maintain the shortest delivery time possible, nevertheless any specified delivery date, in the case that nothing else is agreed, should be seen as approximate. If suppliers of KMLT® are clearly responsible for the delivery delay then KMLT® does not take any liability for any customer related problems. Section 447 of the German civil code (§847 ff BGB) is valid upto at least analogue. If the delivery delay is due to disruptions in the business operations at KMLT® then the customer can set appropriate time extensions. If the customer cancels the contract without the setting of an appropriate extension for the subsequent delivery, then the customer is responsible for any costs that KMLT® occurs.

CONTRACT CANCELLATION / MINIMAL ORDER QUANTITY

Should the contract be cancelled after KMLT® has exchanged contracts for the complete amount of material and/or contracted services necessary for the contract then the customer will carry the full accrued costs plus a compensation of 15 % of the material costs. If the customer orders less than the work volume mentioned in the offer then KMLT® has the right to charge a minimal volume fee. This will be fixed according to the contract size, but is at least 50 %. For long term and quantity based

contracts in the case of a shortfall of the agreed volume KMLT® has the right to make an appropriate claim.

INVOICING / PAYMENT CONDITIONS

For each order, the customer receives an invoice with VAT (in D or EU in the absence of VAT identification number) as a PDF file. This will be attached as an attachment to a bill mail. Electronic invoices are valid even without a digital signature. By accepting these terms and conditions, the customer agrees to send the invoice electronically. Only business customers are entitled to an alternative paper bill. The claim must be communicated to the provider explicitly in writing or by e-mail. KMLT® invoices are to be paid within 14 days of the invoice date without change, unless another date has been agreed and documented explicitly in written form. In individual cases the invoices should be paid immediately on receiving or delivery of the goods. After the payment deadline 14 days KMLT® reserves the right to charge a reminder fee of € 5.00 for every communicated reminder, and an interest rate of 10% on the arrears starting from the due date. If the purchaser a business person KMLT® has the right to charge interest of 5%, in accordance with the recommendations of the Federal Office for Civil Protection after the payment deadline. If the customer or business person is late with their payment there will be in addition to the aforementioned interest, an extra charge of 40.00€. KMLT® reserves the right to make further payment delay charges.

CANCELLATION INSTRUCTIONS FOR ORDERS MADE IN THE ONLINE-SHOP

Since the 13.06.2014 it has been written by the legislative authorities that there is a 14 day cancellation period. The customer is explicitly directed to the cancellation instructions found in the Online-shop of KMLT®.

SERVENANCE CLAUSE

For the case that some terms should or will be wholly or partly invalid, the validity of the remaining production-, sales-, delivery- and payment-conditions are not affected. The parties are required to replace invalid or unexecutable terms or conditions through agreements which as near as possible cover their desired purpose.

PLACE OF FULFILMENT, JURISDICTION AND LAW

The place of contractual fulfilment is dependent upon which factory the work was done, either Dresden or Neukirch, Germany. If the purchaser is a business person, a legal entity under public law or is a special fund under public law or does not have in the German Federal Republic a general place of jurisdiction then the place of jurisdiction for all possible conflicts with regard to the business dealings is Dresden, Germany. Mandatory lawful agreements dealing exclusively with the place of jurisdiction are unchanged by this arrangement. The contractual relationship is subject in all cases to the law of the Federal Republic of Germany.

Dresden, 21.02.2018