

General Terms and Conditions of Business Rebhan Werkzeugbau GmbH

I. Scope

(1) Notwithstanding other written agreements, these are the only terms and conditions applicable in all contracts concluded between Rebhan Werkzeugbau GmbH (hereafter referred to as "RWB"). They apply for the entire duration of the business relationship as well as for future contracts with no requirement for an additional separate agreement.

(2) Terms and conditions of business of the contractual partner or third parties do not apply unless RWB explicitly consents in writing to their validity either in entirety or parts thereof.

II. Offer and Conclusion of Contract

(1) RWB performance and delivery offers do not constitute a legal offer for the conclusion of a contract. Upon receiving an enquiry from the contractual partner, RWB drafts a corresponding offer to which the contractual partner can place a binding order that represents the legal offer for the conclusion of the contract. The contract is concluded upon receipt by the contractual partner of the corresponding acceptance confirmation from RWB. Should the acceptance declaration by RWB deviate from the offer of the contractual partner, this represents a new offer for the conclusion of a contract, which the contractual partner in turn can accept by written confirmation.

(2) Agreements must be in writing in order to be binding. Supplements and amendments to existing agreements, including the regulation of the general terms and conditions, require the written form to be valid (in this respect fax or email is also sufficient).

(3) Information supplied by RWB on the delivery object or performance is only roughly applicable insofar as they are not explicitly described as binding and/or their usability for the contractually intended purpose presupposes an exact match. These are under no circumstances guaranteed characteristics of constitution, but descriptions of the performance. Variations which are usual in the trade and deviations resulting from legal regulations or technical improvements as well as the replacement of components by parts of equal quality are permissible insofar as the usability for the contractually intended purpose is not impaired.

III. Prices, Payment, Default, Offsetting/Withholding, Advance Payment

(1) The price is that agreed between the parties at the time of contract conclusion. More and/or special performances are invoiced separately.

(2) The agreed prices are to be understood in EURO. They are net prices. Therefore, turnover tax at the respectively statutorily stipulated amount (currently 19 per cent) needs to be added. The prices are prices applicable at the location and do not include costs of freight, loading procedures, transport and setup, notwithstanding any other written agreement. Export deliveries entail customs charges as well as fees and other public charges.

(3) Invoice amounts are to be settled within 30 days strictly net. The date on which the invoiced amount appears in full in the account of RWB determines whether payment has been made on time.

(4) Should the contractual partner default, interest is to be paid on the outstanding amounts from the due date at an annual interest rate of nine per cent points above the respective base rate; this does affect the right to assert higher interest and additional claims in the event of default.

(5) In the event of a delay in payment, RWB is entitled to withhold the performance until the contractual partner has met his payment obligations.

(6) RWB is entitled to execute or provide deliveries or performances that are still outstanding only against advance payment or security deposit if, after conclusion of the contract, RWB becomes aware of suitable circumstances that fundamentally lessen the credit-worthiness of the contractual partner and by which the payment of the open accounts receivable of RWB are endangered under the terms of the contract by the contractual partner.

(7) Offsetting by the contractual partner or the withholding of payment on account of the contractual partner's own claims is only permissible if and insofar as these counterclaims are undisputed or have been established by law.

IV. Delivery Times, Delays, Force Majeure

(1) RWB cannot give any guarantee for the observance of the expected delivery and performance times. Insofar as despatch was agreed, delivery deadlines and dates refer to the time of handover to the forwarding agent, freight carrier or other third parties otherwise entrusted with transport.

(2) RWB can demand from the contractual partner an extension to the delivery and performance deadlines or a postponement of delivery and service deadlines by the period in which the contractual partner does not meet his contractual obligations towards RWB.

(3) Delivery or performance delays traceable to the contractual partner's request for alterations to the original order after conclusion of the contract are to be solely borne by him. This also applies if the contractual partner does not provide the cooperation (data transfer etc.) or not in a sufficient manner or form. In these instances RWB is entitled to file claims for damages against the contractual partner in particular to charge for downtime costs and idling times etc. that results from this.

(4) RWB is not liable for the impossibility of delivery/performance or for delivery or performance delays that are caused by force majeure or other events that could not be foreseen at the point in time that the contract was concluded (e.g. company interruptions of all kinds, difficulties in procuring materials or energy, transport delays, strikes, legal lockouts, shortage of labour, energy or raw materials, difficulties in procuring the necessary official approvals, official measures or the non-arrival of, or incorrect or delayed deliveries by suppliers), and that RWB is not responsible for. Insofar as such events greatly impair or make impossible the ability of RWB to provide the delivery or performance and the impairment is not merely of temporary duration, RWB is entitled to rescind the contract. In the event of obstacles of temporary duration, the delivery or performance deadlines are extended or the delivery or performance deadlines are postponed by the period of time of the impairment in addition to a suitable starting period. If, as a result of the delay, the contractual partner cannot be reasonably expected to accept the delivery or performance, he can withdraw from the contract by means of an immediate written explanation to RWB. This also applies if a sub-supplier also suffers from the above-named events.

(5) RWB can only effectively draw on the provisions of Point IV, in particular the regulated legal consequences (extensions, exemption from the service obligation etc.), if and insofar as the contractual partner has been immediately informed by RWB of the circumstances as soon as they have become known.

(6) The contractual partner cannot submit claims for damages on account of the impossibility of delivery and performance on account of force majeure - with regard to Point IV (5) of these general terms and conditions of business.

(7) RWB is only entitled to make partial deliveries if the partial delivery is useable for the contractual partner as part of the

contractually agreed intended use, if the delivery of the remaining goods ordered is assured and no considerable additional work and expense or additional costs result for the contractual partner, unless RWB declares itself prepared to bear these costs.

(8) If RWB has delays in making delivery or performance or if a delivery or performance becomes impossible for it, for whatever reason, liability of RWB is restricted to claims in accordance with the regulations of these general terms and conditions.

V. Retention of Title

(1) All the goods (reserved goods) delivered by RWB to the contractual partner remain the property of RWB until full payment of all demands due to RWB deriving from the business relationship with the contractual partner, and in particular the respective balance

claims (balance reservation). This also applies to any future and contingent demands, and also if payments have been made for specifically designated demands. The balance reservation finally expires at the time of payment when all the open and contingent demands covered by this balance reservation have been settled.

(2) The contractual partner is entitled to utilise the reserved goods in normal business transactions until enforcement. He is only entitled to sell them as long as he has not defaulted on payment of the purchase price. Pledging and assignment as security are not permissible.

(3) In the event of resale of the reserved goods the contractual partner already in this moment assigns the resulting claims towards the purchaser to RWB. The same applies for other demands that replace the reserved goods or otherwise arise concerning the reserved goods, such as, for example, insurance claims or claims deriving from non-permitted actions in the event of loss or destruction. RWB revocably authorises the contractual partner to collect the demands assigned to RWB in his own name. RWB is permitted to revoke this authorisation for collection only in the case of an enforcement act. RWB accepts this assignment already now. The authorisation for collection also expires when the contractual partner stops payments, insolvency proceedings have been filed or started, in the event of an extrajudicial settlement proceedings or other forfeiture of assets. In the event of the revoking and/or expiry of the authorisation for collection, RWB can demand from the contractual partner that the latter immediately make known the assigned demands and their debtors, provide all details required to collect the demands, hand over all documentation pertaining to this and immediately notify/disclose the assignment to the debtors. RWB is to be given relevant evidence of the latter.

(4) If a third party takes hold of the reserved good, in particular through pledging, the contractual partner is to immediately refer to the property of RWB and inform RWB of this in order to enable RWB to assert its title rights. Insofar as the third party is not in a position to reimburse RWB the legal or extrajudicial costs arising in this connection, or a claim for compensation from other circumstances - not caused by RWB - is not given/enforceable, the contractual partner is liable for this to RWB.

(8) RWB shall release at its own discretion the reserved goods as well as items or demands taking the place of reserved goods insofar as their value exceeds the amount of the secured demands by more than 30 %.

(9) If RWB rescinds the contract due to non-contractual actions on the part of the contractual partner - in particular, default in payment (enforcement) RWB is entitled to demand restitution of the reserved goods.

VI. Transfer of Risk and Acceptance

(1) The object of the contract is to be accepted after completion of performance. This also applies for completed partial services. Upon acceptance the risk is transferred to the contractual partner.

(3) If the contractual partner defaults in acceptance, the risk transfers to him at the point in time in which the default occurred.

(4) Insofar as no acceptance is required or agreed, the risk transfers to the contractual partner at the latest with the handover of the delivery object (the beginning of the loading procedure is decisive here) by RWB to the forwarding agent, freight carrier or third parties otherwise entrusted with the execution of despatch. This also applies if partial deliveries are effected or RWB has assumed other performances. If despatch or handover is delayed as a result of a consequence of which the cause lies with the contractual partner, the risk transfers to the contractual partner from the day on which the delivery object is ready for despatch and RWB informed the contractual partner of such.

(5) The consignment is insured by RWB only on the express wishes of the contractual partner and at his expense against theft, breakage, transport, fire and water damage or other insurable risks.

VII. Warranty, Material Defects

(1) The warranty period regarding the contractual composition of the performance or delivery object is 500,000 shots of the tool at the latest, however, one year after transfer of risk.

(2) The objects delivered are to be carefully inspected immediately after they have been delivered to the contractual partner or to a third party designated by him. They are deemed as approved and accepted if RWB does not receive a written notification of defects concerning visual defects or other defects that could be detected by an immediate, careful inspection, within seven working days from delivery of the delivery object or otherwise within seven working days after discovery of the defect or an earlier point in time in which the contractual partner or third party designated by him could have detected the defect during normal use of the delivery object without closer inspection. RWB can demand that the delivery object which is subject of complaint be returned carriage paid to RWB. If the notification of defects is justified RWB reimburses the costs of the most favourable despatch route; this does not apply if the costs increase because the delivery object is at a different location to that of the location of intended use.

(3) If the objects delivered display defects, RWB is obliged and entitled to first choose between undertaking a rectification of the defects or providing a replacement delivery within a period of time that it deems reasonable. If this fails, i.e. impossibility, unreasonableness, refusal or unreasonable delay of rectification or replacement delivery, the contractual partner can withdraw from the contract or reduce the purchase price appropriately. RWB can refuse supplementary performance regardless of its rights deriving from paragraph 275 Section 2 and 3 BGB if this is only possible with disproportionate costs. Supplementary performance is deemed as failed after the third unsuccessful attempt. If RWB supplies a replacement by means of supplementary performance, RWB can demand from the contractual partner the restitution of the defective commodity in accordance with the principles of the right to withdraw.

(4) The warranty does not cover wearing parts and such damage caused at the premises of the contractual partner due to natural wear, moisture, intense heating of the rooms, other temperature or weather influences, improper utilisation, brute force, overstressing and utilisation of unsuitable operation, maintenance or lubricating agents. The contractual partner is to observe maintenance and upkeep instructions. The warranty is further invalidated if the contractual partner alters the delivery object or has it altered by a third party without the consent of RWB and the rectification of faults is impossible or is made unreasonably difficult. In any case, the

contractual partner is to bear any additional costs involved in rectification of the faults deriving from the change.

(5) Insignificant reasonable deviations in dimensions and workmanship do not in principle entitle the contractual partner to lodge a complaint. This does not apply if the observance of exact dimensions and workmanship has been explicitly agreed. Technical improvements as well as technical changes are deemed as contractual execution insofar as these do not lead to a loss in value.

(6) If the contractual partner stipulates that RWB utilise a specific material, the contractual partner is to make available to RWB the specific material to be used, or if the contractual partner otherwise insists on a specific execution of the order, RWB is not liable for any faults and damage resulting from this that are either caused by the contractual object or lead to faults and damage on the product to be manufactured.

VIII. Limitation of Liability

(1) The liability of RWB for compensation for whatever legal reason, in particular for impossibility, delay, faulty or incorrect delivery, breaches of contract, violation of duties during contractual negotiation and non-permitted action is in each case, insofar as there is a question of blame, restricted to the provisions of this Point VIII.

(2) RWB is not liable for a case of simple negligence of its organs, legal representatives, employees or other vicarious agents, insofar as this does not involve a violation of essential contractual obligations. These are the obligation of punctual delivery of a delivery object that is free of major faults as well as advisory, protection and supervisory duties that are to enable the contractual partner to utilise the delivery object in accordance with the contract, or the protection of life and/or limb of employees of the contractual partner or the protection of the latter's property from major damage.

(3) Insofar as RWB is liable for damages pursuant to the above-mentioned point, the liability is limited to damages that RWB has foreseen as a possible consequence of breach of contract or which it should have known had it exercised due diligence. Indirect damage and consequential damage that results from faults on the delivery object are also only subject to compensation insofar as such damage is typically to be expected during the intended use of the delivery object.

(4) The above-mentioned liability limitations and restrictions apply to the same extent to organs, legal representatives, employees and other vicarious agents of RWB.

(5) Insofar as RWB provides technical information or acts in a consultative capacity and this information or consultation does not form part of the contractually agreed service scope, this is provided free of charge and excluded from all liability.

(6) The restrictions of this point do not apply to the liability of RWB for deliberate actions, for guaranteed characteristics, on account of injury to life, body or health or under the product liability act. Furthermore, RWB is precluded from invoking the above-mentioned liability limitations when a fault has been fraudulently concealed by RWB.

IX. Copyright Law and Confidential Information/Documents

(1) Copyright and the ownership of design drawings, 3D tool details, CAM data, electrodes, technological data as well as all performances and products capable of being copyrighted that have been tendered by RWB for the contractual partner as part of the execution of the contract remain with RWB. If the contractual partner is provided with data, drawings etc. this does not in any circumstances authorise him to give them to third parties either commercially or free of charge.

(2) Insofar as the contractual partner provides RWB with its own drawings for the purpose of contract execution or requests a specific

execution, the contractual partner is solely responsible for the execution not infringing the property rights of third parties. RWB does not carry out its own examination to this effect. The contractual partner undertakes in these circumstances to exempt RWB from all third party claims on account of infringements of property rights, which also include the costs for any necessary prosecution on the part of RWB.

X. Offsetting Ban, Right of Retention and Contractual Penalties

(1) The offsetting with counterclaims of the contractual partner against claims of RWB is only permissible if the counterclaims of the contractual partner are either recognised by RWB or have been established in law. Rights of retention of the contractual partner are likewise excluded.

(2) Contractual penalties are only recognised by RWB if these have been individually negotiated, written down in a contract and signed by organs authorised by RWB. Contractual penalties in the general terms and conditions of the contractual partner are under no circumstances binding for RWB. All contractual penalties for RWB always contain the rights pursuant to sections 339 ff. BGB with the stipulation that the person who wishes to derive the rights from a corresponding promise of contractual penalties, is to present and evidence all the preconditions required. Furthermore, every contractual penalty is added towards other claims for damages. RWB also reserves the right to prove that no or less damage has occurred than the contractual penalty specifies and to correspondingly reduce the contractual penalty.

XI. Legal Venue, Applicable Law, Contractual Language

(1) Place of performance and legal venue for all disputes arising out of the contractual relationship between the contractual partner and RWB insofar as it is permissible and freely consistent is the company headquarters of RWB, thus Kronach. Mandatory statutory provisions concerning exclusive legal venues remain unaffected by this regulation.

(2) Relationships between RWB and the contractual partner are solely subject to the law of the Federal Republic of Germany. The United Nations Convention on the Sale of International Goods dated 11th April 1980 (CISG) does not apply.

(3) The contract language is German.

XII. Written Form Clause

Amendments of the agreements, including these terms and conditions, require the written form in order to be valid.

XIII. Severability Clause

Should one or more provisions of this agreement be or become invalid, this does not affect the validity of the remaining provisions. The parties undertake, in such an instance, to immediately hold negotiations on the conclusion of a new valid provision that comes closest to the commercial purpose of the invalid provision. Insofar as the contract or these general terms and conditions contain regulatory gaps, those legally valid regulations shall apply as agreed which the contractual partners would have agreed in accordance with the economic objectives of the contract and the purpose of the general terms and conditions if they had been aware of the regulatory gap.

Kronach, January 2016