

GENERAL BUSINESS AND DELIVERY TERMS

1. Legal basis

Obligations of Arno Friedrichs Hartmetall GmbH & Co. KG, Mainleus ("AFC") shall be founded and met solely according to the conditions set out hereinafter. The customer's terms and conditions are only accepted where they do not deviate from these conditions. German law shall apply exclusively under exclusion of the UN Convention on the International Sale of Goods (CISG). Provisions of a consignment warehouse agreement between the parties or any other individual agreements shall take precedence.

2. Commitment period

AFC shall be bound to binding offers for 14 days from the date of the offer unless the offer states a different period.

3. Dimensions, weights, plans, drawings

Dimensions, weights, plans and drawings have the usual tolerances and are only binding between the parties if both parties have expressly agreed on such binding effect.

4. Prices

Prices are based on delivery ex works, excluding loading, transport, customs fees, VAT and insurance.

5. Payments

Unless agreed on differently, payments shall be made without deduction within 30 days from the date of the invoice. The payment shall only be deemed made in time if AFC has received the money within the above period.

6. Insurance and limitation on liability

Either party shall be responsible for its own insurances. AFC's insurance for warranty and product liability cases is limited in amount. The customer shall have the right to demand conclusion of a special warranty or product liability insurance if this is offered on the German insurance market and if the customer pays the premium for this. AFC's liability shall be limited to the amount of his or the separately concluded warranty and product liability insurance. The customer may demand a corresponding confirmation of the insurance. If no specific insurance is demanded, item 11 shall take precedence.

7. Delivery

Commencement of an indicated delivery period requires that all technical and commercial questions have been answered and all contractual obligations of the customer have been met. If not agreed on differently, deliveries shall be ex works. AFC may render partial deliveries and issue partial invoices for these.

8. **Force majeure**

Where circumstances that are not due to the fault of AFC make performance of the order difficult, delay it or render it impossible, AFC shall have the right to delay delivery for the duration of the impairment or to declare rescission of the contract. Strike, lock-out, blockage, authority action, earthquake, storm damage, epidemics, public travel warnings, terrorism, sabotage, technical communication or transport interferences and events outside of AFC's scope of influence shall not be due to his fault if these events and their consequences are not foreseeable for AFC or cannot be avoided by usual market practice.

9. **Delayed delivery**

In case of delayed delivery, AFC shall be liable if the delay is due to a wilful or grossly negligent breach of the contract by AFC (or AFC's contractors). If AFC is liable for the breach of an essential contractual obligation by law and in any case of statutory liability for non-wilful breach of the contract, liability shall be limited to the foreseeable damage typical for the contract.

10. **Examination and claim, liability for defects and expiry**

The customer is obliged to perform immediate examination of any delivery and immediately report to AFC any defect in accordance with the German commercial code (HGB). If a defect has been reported in time and documented, AFC shall bear all expenses required to remove the defect (e.g. transport, travel, working and material costs) unless these expenses have been caused by the customer causing the goods to be taken to another place than the original usage site. Other claims of the customer shall not be affected. The customer's defects liability claims shall expire within 12 months from delivery.

11. **Limitation of liability**

AFC's liability (including that of his contractors) for damages shall be limited to cases of wilful misconduct and gross negligence. Any liability of AFC shall be limited to EUR 1 million except in case of liability due to wilful misconduct or gross negligence. In case of breach of an essential contractual obligation and in any case of statutory liability for non-intentional breach of the contract, liability shall be limited to the foreseeable damage typical for the contract. Liability for culpable violation of life, body or health shall remain unaffected. Further claims against AFC, in particular damages claims, no matter their legal reason, in particular from fault at conclusion of the contract, tort, product liability, etc. shall be excluded, except where they are due to wilful misconduct or gross negligence.

12. **Reservation of title**

The delivered goods shall remain the property of AFC until complete payment. The customer shall have the right to use, install or sell the goods in the ordinary course of business. The customer shall not have the right to any other disposal, in particular pledging or provision as collateral.

In case of processing, combination or mixture, the retention of title shall continue in the newly created object. AFC shall procure pro-rata joint title together with other holders of reserved title. In doubt, the shares shall be determined according to the ratio of the unpaid invoiced amounts.

If the property of AFC is destroyed by installation, processing and sale, etc., the customer hereby assigns the claims due to him from this procedure – no matter their legal basis – to AFC. AFC accepts the assignment. The assignment takes place at the unpaid amount of the value invoiced for the goods subject to retention of title, including VAT. The assignment shall be subject to the resolving condition of complete payment for the goods which are subject to retention of title. AFC authorises the customer, revocable at any time, to collect the claims assigned above. On AFC's request, the customer shall name the debtors of the assigned claims to AFC and inform the debtor of the assignment.

AFC is obliged to release the assigned claims and other collateral if and to the extent AFC has no justified security interest (avoiding excessive collateral). If the customer ceases payments or files an application for insolvency proceedings, the right to intended use of the goods subject to retention of title and collection of the assigned claims shall expire automatically.

13. Place of performance and place of jurisdiction

Place of performance shall be Mainleus, Germany. Disputes from or in connection with deliveries of AFC shall be brought to the chamber of commerce matters of the county court in Bayreuth (Kammer fuer Handelssachen am Landgericht Bayreuth).