

GENERAL BUSINESS TERMS AND CONDITIONS

1. Legal Basis

The contractual delivery obligations of Konrad Micro Drill GmbH, Kulmbach shall be established and fulfilled exclusively in accordance with the following conditions. The general terms and conditions of the contracting partner shall be accepted only to the extent that they do not deviate from the following delivery conditions or from the legislation. German law shall apply exclusively, with the exclusion of the Agreement of the United Nations on the International Purchase of Goods (CISG).

2. Dimensions, Weight, Plans, Drawings

Dimensions and weights, plans and drawings exhibit the usual tolerances and shall be a part of the contract only if both parties declare this expressly.

3. Prices

The prices quoted shall apply for delivery ex-works, including packing, but excluding loading, turnover tax and insurance.

4. Payments

- 4.1. Unless otherwise agreed, payments are to be made without deductions within 30 days of the date of the invoice.
- 4.2. The payments shall be considered as having been made in good time only if the supplier can dispose of the money within the above deadline.
- 4.3. The supplier shall be entitled to request an appropriate progress payment for services already performed by it. A delivery shall not be considered as being in arrears before the payment of the progress payment.
- 4.4. In the case of partial deliveries, partial invoices can be issued. The agreed payment deadlines shall apply. A delivery shall not be considered as being in arrears before the payment of the partial invoice.
- 4.5. Bank charges which will arise from payments to abroad or from abroad are to be taken over from each party in the land of its origine.

5. Creditworthiness

- 5.1. For the case in which circumstances become known to the supplier after the conclusion of the contract, from which it can be concluded that the payment claims of the supplier are endangered, the supplier shall be obliged to perform only against the provision of security.
- 5.2. In any case, the non-payment of formally valid cheques, the cessation of payments, the application by the customer to conduct insolvency proceedings (reorganisation, bankruptcy, compulsory enforcement, etc.) shall be considered as such circumstances.
- 5.3. Appropriate progress payments and advance payments as well as a bank guarantee shall be considered as security.
- 5.4. With the request for security, the supplier can already set an appropriate deadline for the provision of security and declare that it will reject the fulfilment of the contract in case the deadline expires. After the expiry of the deadline, the supplier can, at its choice, withdraw from the contract or require compensation for damages because of non-fulfilment.

6. Delivery (Incoterms 2000)

- 6.1. The obligation to deliver shall comprise the availability of the goods in the factory for collection (obligation to collect) regarding Incoterms 2000 "EXW".
- 6.2. The supplier shall be entitled to provide partial services and to make partial shipments.
- 6.3. If circumstances for which the supplier is not responsible impede, delay or make the fulfilment of the order impossible, the supplier shall be entitled to delay the delivery for the duration of the hindrance or to withdraw from the contract. Strikes, lock-outs, blockades, official actions, illegal interventions in the commercial operations which are established and exercised, communications and transport interruptions, and other events which take place outside of the supplier's operation shall not be the responsibility of the supplier in any case.

7. Guarantee, Liability, Obligation to Assume Responsibility

- 7.1. The supplier provides the six-month statutory guarantee under the condition that a repair shall be owed exclusively at first. In place of a repair, the supplier can make later delivery.
In case of failure of the repair, the customer can request a reduction of the remuneration or, at its choice, the rescission of the contract.
- 7.2. Further claims against the supplier, especially claims to compensation for damages, for any legal reason whatsoever, especially because of violation of confidence on conclusion of the contract, positive violation of contractual or delivery obligations, unlawful acts, product liability, etc., shall be excluded, unless they are based on deliberate intention or gross negligence.
- 7.3. The compensation of consequential damages, especially damages which have not been produced on the object delivered, and further liability shall be excluded, unless they are based on deliberate intention or gross negligence.
- 7.4. All liabilities of the supplier shall be limited in amount to the insured value of the operational third party liability insurance coverage to the amount of 1.000.000,- EUR unless the liability is based on deliberate intention or gross negligence. On request, the supplier shall give the customer a photocopy of the insurance policy and the general insurance conditions.
- 7.5. In any case, the customer shall be obliged to perform examinations and make complaints without delay in compliance with the regulations of §§ 377, 378 HGB.

8. Retention of Ownership

- 8.1. Until complete payment, the goods delivered shall remain the property of the supplier.
- 8.2. The customer is hereby authorised by the supplier to use, install and sell the goods subject to retention of ownership in accordance with the regulations, within the limits of its proper business operations. The customer shall not be authorised to any other disposal, in particular to pledging or transferring ownership as security.
- 8.3. In the case of manufacturing, connection or mixing, the retention of ownership shall continue to the newly produced object. Together with other creditors with the right of retention of ownership, the supplier shall acquire proportional shared ownership. In case of doubt, the value of the proportion shall be determined in accordance with the ratio of the unpaid invoices.
- 8.4. For the case in which the ownership of the supplier is lost through installation, processing, sale, etc., the customer already assigns the claims due to it under the transaction - for any legal reason whatsoever - to the supplier. The supplier hereby accepts the assignment, which is made to the value of the open invoices for the goods subject to retention of ownership, including turnover tax. The expiry of the assignment shall depend upon the complete payment of the goods subject to retention of ownership.
- 8.5. The supplier revocably authorises the customer for the collection of the claims assigned above. The supplier shall not revoke this authorisation as long as the customer fulfils its payment obligations promptly. For the security of the supplier, the customer shall have to name the debtors owing claims assigned to the supplier and notify the assignment to the debtor, at the request of the supplier.
- 8.6. In case of the cessation of payments or the application by the customer to conduct insolvency proceedings (reorganisation, bankruptcy, compulsory enforcement), the right of proper use of the goods subject to retention of ownership and the collection of the claims assigned shall automatically become null and void.

9. Partial Invalidity

Should individual conditions be ineffective in whole or in part, the validity of the other conditions shall not be affected. The parties commit themselves to agree upon a replacement regulation which comes as close as possible to the economic result of the clause to be deleted.

10. Place of Fulfilment and Place of Jurisdiction

The place of fulfilment and place of jurisdiction shall be Kulmbach.