

General Terms & Conditions

I. General

All of our quotations are solely subject to our following terms. These apply for the entirety of our business relations. General terms and conditions or other client contract terms contradicting these general terms & conditions or the special terms of a quotation are only valid if and insofar as their validity was expressly acknowledged by us in writing. The acceptance of our delivery or failure to object to our terms is considered an acknowledgement.

II. Quotation and Pricing

- 1) Unless otherwise agreed, our quotations are subject to change and non-binding, subject to prior sale.
- 2) Documentation associated with the quotation, such as illustrations, drawings, and weight specifications, are only roughly definite unless expressly indicated as binding by us. We reserve the right to make changes in the course of technical advances, no special notice to the customer required. We reserve proprietary- and copyrights in estimates, drawings and any other documentation, which are not to be disclosed to third parties. Drawings and other documents associated with quotations shall be promptly returned to us upon request in the event the order is not placed.
- 3) Prices apply to the services described in the quotation. They are subject to change based on current costs. Any dues introduced or increased after close of this contract as well as any increases in material and labour costs, freight, duties, etc., are payable by the customer if delivery is made more than four months after close of contract. Fixed prices require a special written agreement; prices for the deviating quantities are subject to change.
- 4) The minimum order value is € 50.00 (not including applicable sales tax). Orders smaller than the minimum order value are charged a pro-rata handling fee in addition to the packaging and shipping fees for the invoice total to be a minimum of € 50.00 (not including applicable sales tax).
- 5) Prices are not including sales tax, FCA Factory Germany, unless otherwise agreed in writing.

III. Payments

- 1) Payments are due net within 30 days from the date of invoice. Payments for laser marking and laser engraving systems are due 40% upon receipt of order confirmation, 50% within 14 days of delivery and 10% within 60 days, or in the event of set-up arrangement, following successful set-up and start-up but no more than 30 days upon installation or 60 days upon delivery, if set-up is delayed for reasons not caused by ALLTEC. The aforementioned payments are billed separately. For all other shipments and services payment is due net within 30 days from the date of invoice.
- 2) We are not obligated to accept bills of exchange or checks. If applicable, these are solely accepted as payment subject to any expenses such as bank discount-, note tax- and collection fees. Payments by exchange are subject to our prior written approval.
- 3) Payments by exchange or check are only considered satisfied once redeemed, we assume no obligation for timely presentation or protest. In the event the customer's acceptance is delayed the aforementioned payment term starts with the date of the written notice of readiness

for dispatch. In the event partial shipments are made, each partial shipment is payable separately as per these stipulations.

- 4) In the event payments are made later than agreed or deferred, we are entitled to assess an annual interest rate of 8% above the applicable base lending rate of the German Central Bank from the invoice due date in addition to any other rights, without requirement for dunning or notice of default.
- 5) In the event payment terms are not met or circumstances lowering the customer's credit standing are discovered after the close of contract, we are entitled to the following:
 - a) Demand full or partial prepayment or payment bond due to any and all matured or unmatured claims arising from any contracts, including if we have already discounted a draft.
 - b) Refusing fulfilment on our part until prepayment or payment bond has been made.
 - c) In the event no cash- or prepayment has been made or no payment bond has been provided within a reasonable term, we are entitled to withdraw from the contract, subject to invoicing of expenditures brought forth by us and lost profit.
 - d) Prohibiting the processing or sale of delivered goods subject to retention of title.
 - e) Enter customer premises for the purpose of removing the goods.
 - f) The customer is not entitled to assert rights of set-off against our claims, unless the customer claims have been determined without further legal recourse or are uncontended. The same applies to the customer right of retention, provided they are not determined without further legal recourse or uncontended, or ensue from the same contractual relationship.

IV. Delivery and Acceptance

- 1) Our order confirmation is definitive for the scope of delivery.
- 2) All delivery and shipping information is only approximate unless the parties have expressly agreed to a fixed delivery date in writing. Fixed delivery dates are only confirmed under the condition we are only bound to such provided the customer provides required information and possible agreed down payment in time. If we do not meet and approximate delivery date, the customer shall provide us with an adequate grace period. Upon fruitless expiration of said grace period the customer – irrespective of any rights based on the stipulations of this contract related to liability – is solely entitled to withdraw from the contact.
- 3) The delivery date is met if the article of sale has left the premises by the expiration or the item has been declared ready for shipment.
- 4) The delivery date is adequately extended for measures in line with labour disputes, particularly strike and lock-out, as well as in the event of unforeseen hindrances beyond the will of the supplier, provided such hindrances have a demonstrably significant impact on the completion or delivery of the article of sale. This also applies to such circumstances occurring with subsuppliers. The supplier is further not responsible for aforementioned circumstances if these occur during an existing delay. In important cases the supplier shall notify the customer of the start and end of such hindrances as soon as possible. The delivery date is ex-

tended in accordance with the receipt of payment pursuant to clause III 1).

- 5) In the event shipment is delayed at the customer's request he will be invoiced the costs incurred by such storage, for storage at the supplier's site a minimum of 0.5% of the invoice amount, per month, starting one month after the notice of readiness for shipment. The supplier is entitled to otherwise dispose of the article of sale following fruitless expiration of an adequate period, and to supply the customer within an appropriate extended term.
- 6) Transport insurance is provided only if agreed in writing and is payable by the customer.
- 7) Return shipments are not accepted without our prior written approval and are connected with a standard processing fee of € 200.00. Cancellations, which must always be approved by us, are subject to a cancellation fee in the amount of 20 % of the order value. The customer is entitled to prove the actual damages incurred by us are less. If not otherwise agreed, the buyer also pays all cost arising with the return of the goods, like packaging, tax, customs and freight.
- 8) Every EU customer is obliged to provide ALLTEC with the entry certificate immediately after the receipt of the object of supply. In the event the entry certificate does not arrive within 5 days from the date of delivery, the value added tax (VAT) will be charged to the customer's account.

V. Passing of Risk

- 1) The risk is transferred to the customer no later than at the time the purchased items are shipped, except the carriage and the set-up are expressly agreed by contract.
- 2) In the event shipment is delayed due to circumstances caused by the customer, the risk is already transferred to the customer on the day the shipment is ready, regardless where the goods are located.
- 3) Delivered items shall be accepted by the customer, even with negligible damage, without prejudice to rights emerging from section VIII (warranty for defects).

VI. Retention of Title

- 1) We reserve ownership in our product shipments, which may only be sold through proper business transactions, until the time payment is received for any claims ensuing from the business relation, including any refinancing - or reverse bill of exchange.
- 2) We are entitled to insure the article of sale against theft, failure, fire, water and other damages, at the customer's expense, provided the customer has not obtained such insurance and can submit proof.
- 3) The customer may neither pawn the article of sale nor transfer it as security. Resale is only permitted for proper business transactions.
- 4) In the event the customer has sold or otherwise disposed of goods to which we have reserved the title, he now already assigns to us the full claim against the recipient in the amount of our invoice. This assignment is effective as of the time of transfer without a requirement for separate notification, however upon request the customer is obligated to provide us with a special declaration of assignment. The customer is revocably entitled to collect the claim transferred to us on our behalf, whereas any collected amounts are to be immediately paid to us.
- 5) In the event of pawning or confiscation or other injunction by third parties the customer shall promptly notify us of such. Intervention costs

are payable by the customer.

- 6) By processing the goods the customer does not gain ownership in the completely or partially produced goods; the processing is free of charge and solely to our benefit. If, however, the retention of title is voided by any circumstances, we and the customer agree to ownership in the items to be transferred to us with the processing, and that we will accept such transfer. The customer shall remain our unpaid custodian.
- 7) The customer hereby transfers claims from a resale of goods subject to retention of title to us, including if the good was processed. If aside from our goods subject to retention of title the processed item only contains objects either belonging to the customer or delivered under so-called simple reservation of title, the customer shall assign use the entire purchase price demand. Otherwise, i.e. for concurrence of advance assignment of receivables to multiple suppliers, we are entitled to a fraction of the claim, proportional to the invoice value of our goods subject to retention of title to the invoice value of other processed objects.

VII. Assignment of Claims

Assignment of claims acquired against us through a business transaction, is excluded.

VIII. Customer Rights based on Defects

- 1) We guarantee the goods delivered in accordance with this contract to be free of defects at the time the risk is transferred, and for specifications indicated in writing to be fulfilled. We do not assure the goods to be suitable for specific purposes, the customer shall in fact assess this himself. Any claims for defects become barred 12 months after start-up unless otherwise agreed – but no more than 15 months following delivery.
- 2) Failure to observe the seller's operating or service instructions, product modifications, replacement of parts or the use of consumables not meeting original specifications will void any claims for product claims, unless the customer is able to refute a correspondingly substantiated allegation one of these circumstances to have caused the defect.
- 3) The customer must promptly and no later than month upon receipt of the article of sale, report defects in writing and with reference to the purchase order number, and submit a test- or error log within this term. Defects not discovered within this period even upon thorough inspection, must be promptly reported to the seller following discovery.
- 4) In the event the customer reports a product defect, the seller shall at his discretion and expense demand
 - a) The defective part or equipment to be sent to the seller by the customer according to the following specific conditions and within a specific time frame, as also indicated on the RMA (Return Materials Authorization) sheet:
 - i) RMA return time: After a warranty replacement has been delivered, an RMA may be opened for the return of the defective part. In this case, the customer shall return the defective part or communicate the forwarder tracking number for the defective part within a specific time frame: 2 weeks (EMEA customers), resp. 4 weeks (customers outside EMEA). The return puts ALLTEC in a position to analyse the defects and further improve the quality. If the part is not returned within that period, ALLTEC reserves the right to invoice the customer at list price as well as handling, inspection, testing or restocking fees.

- ii) Return condition: Returned parts must be in original condition and appropriate packaging with all seals unbroken. The fully completed RMA sheet must be included in the shipment, RMA number visible on the outside of the package.
 - iii) Handling fees: If parts are returned for credit on a goodwill basis, a handling fee of € 200.00 is deducted from the credited amount. Freight and customs costs are not credited. Additional information is available on our website.
 - iv) Distributors: Different agreements might apply.
- b) The customer to keep the defective part or equipment available, and for a seller specified service technician to be ordered to the customer for repairs. In the event the customer demands rework to be performed at a specific location, the seller may satisfy this demand, whereas any replaced part will not be charged, but the seller's labour and travel expenses are billable at the standard rates.
- 5) In the event such rework fails within an appropriate period of time, the customer may at his discretion demand a payment reduction, or withdraw from the contract.
 - 6) Liability for normal wear and tear is excluded.
 - 7) Only the buyer is entitled to claims against the seller due to defects, such rights are non-transferable.
 - 8) In the event the customer uses spare parts that have not been delivered by ALLTEC, he endangers his warranty claims towards ALLTEC.
 - 9) For refurbished spare parts we provide a guarantee of 6 months, beginning with the installation of the part. The period of limitation for the flawless parts of the delivered device is not extended.

IX. Right of Withdrawal

If a purchase order is a complete or partial new design, we are entitled to withdraw from the contract at any time. In this even the customer waives any claims arising from this contract. In place of a right to withdraw we are – at our discretion – entitled to delivery within a grace period determined by us.

X. Liability

- 1) Claims for damages, regardless of the type of duty breached, are excluded, including tortious acts, except in the event of premeditation or negligence.
- 2) In the event of fundamental breach of contract the seller is liable for any negligence, but only to the extent of foreseeable damages. Claims for lost profit, expenses saved, arising from third party indemnity claims, as well as for any other indirect and consequential damage cannot be asserted, unless a characteristic warranted by the seller is intended to protect the buy from such damages.
- 3) The limitation and exclusion of liability in paragraphs 1) and 2) do not apply to claims arising from the seller's fraudulent behaviour, as well as for liability for guaranteed characteristics, claims pursuant to the Product Liability Act as well as damages due to injury to life, body or health.
- 4) In the event of the seller's excluded or limited liability, this also applies to the seller's staff, employees, agents and vicarious agents.

XI. Force Majeure

We are not liable for non-fulfilment, delayed or defective performance if such was in part or in whole based on force majeure. With respect to this stipulation, force majeure specifically also includes civil commotion, war,

lack of qualified labour in the market, energy sources or raw materials, operating and traffic disruptions, labour disputes, mechanical breakdown, fire, flooding, government restrictions, preferred supply of domestic or international civil or military authorities and any other events beyond our control. Any such events release us from our obligation to supply for the duration of the disruption and its repercussions. If such events last more than 8 weeks, both parties are entitled to withdraw from the contract within 1 week of said event ending, provided the goods have not yet been shipped. We shall promptly notify the customer of such occurrence and ending thereof.

XII. Patents

- 1) The seller shall release the customer and his buyers from any claims arising from copyright, trademark, or patent infringement, unless the design for an article of sale was provided by the customer. The seller's indemnity obligation is limited according to the foreseeable damage. Said release further requires for the seller to be entitled to file legal action, and for the alleged infringement to solely be attributed to the construction of the seller's article of sale without association or use of other products.
- 2) The seller shall at his discretion be entitled to release himself from the duties accepted with paragraph 1) by either
 - a) Obtaining the required licenses pertaining to the supposed patent infringement or
 - b) Providing the buyer with a modified article of sale or parts thereof which, in the event of exchange with the infringed article of sale or part thereof, would eliminate any allegations of infringement with respect to the article of sale.
- 3) The customer agrees to release the seller from patent infringement claims asserted against the seller for goods produced based on drawings, specifications or instructions provided by the customer. The sale of commodities by the seller in no way constitutes a direct or indirect license of any patents pertaining to combining our commodities with other items of any type or to manufacturing processes or methods.

XIII. Applicable Law, Jurisdiction, Partial Nullity

- 1) These terms and conditions as well as the entire legal relationships between the seller and customer are subject to the laws of the Federal Republic of Germany. The terms of the UN CIGS does not apply.
- 2) In the even the buyer is a businessman, corporate body under public law or special fund under public law, sole jurisdiction for any and all disputes directly or indirectly arising from this legal relationship.
- 3) In the event a stipulation of these terms and conditions or a stipulation within other agreements is or becomes void, the remainder of the stipulations remain untouched.

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