

1. Scope

These General Terms of Sale in their respective current version shall exclusively govern all offers and supply of CnC / R+D Machinery GmbH, (in the following text also written as "Seller"). The purchasing terms of the Customer (in the following text written as "Buyer") are hereby specifically excluded unless CnC / R+D Machinery GmbH has given its written consent.

All offers, order acknowledgments, or order acceptances made by the Seller are conditioned upon the terms contained in this agreement. Seller hereby rejects and objects to any conditional, additional, varying or different terms proposed by the Buyer unless Seller agrees to such terms in writing.

2. Quotations and Conclusion of Contracts

A Buyer's order is a binding offer. The Seller shall have the right to accept this offer at its discretion within four weeks by sending a written confirmation of the order or by the dispatch of the order to the Buyer within these four weeks period.

The quantity, quality and description of and any specification for the goods shall be those set out in the Seller's offer (if accepted by the Buyer) or the Buyer's order (if accepted by the Seller). Any such specification, sales literature, offer, etc. shall be strictly confidential and shall not be made available to third parties.

Information in brochures, catalogues, technical documents such as drawings, descriptions, projects, studies and the like are only binding if they are accepted by written from the Seller.

If it is the case that the products are to be manufactured or delivered according to the design, drawings, models or samples that the Buyer provides to the Seller, or if it is the case that the goods are to be manufactured or delivered following the Buyer's instructions, then the Buyer assumes responsibility that third party IP rights are not infringed by the manufacture and delivery. The Buyer pays all damage which arises from a violation of third parties rights.

The Buyer shall be responsible for ensuring the accuracy of the terms of any order submitted by the Buyer, and for giving the Seller any necessary information relating to the goods within a sufficient time period to enable the Seller to perform the contract in accordance with the terms,

The Seller reserves the right to make any changes in the specification of the goods which are required to fulfil applicable statutory requirements or, where the goods are to be supplied to the Seller's specifications, which do not materially affect or already affected their quality or performance.

3. Prices

The price of the goods shall be the Seller's quoted price or, where no price has been quoted, the price listed in the Seller's price list current at the date acceptance of the order. Where the goods are supplied for export from Germany, the Seller's export price list shall apply.

Unless agreed otherwise in writing, the Seller's prices shall apply ex work. If no other price determination is stipulated, the prices are net, exclusive of statutory VAT.

4. Payment

The Buyer makes payments according to the agreed terms of payment without deduction of discounts, expenses, taxes, levies fees, duties, and the like according to the terms started in the order confirmation. If the Buyer does not make the payment or the security in accordance with a contractual agreement, the Seller is entitled, after the expiration of a reasonable period set by the Seller, to withdraw from the contract and to claim damages.

If the Buyer is in default with its payment the Seller shall be entitled to charge interest at a rate of 10% above the base interest rate of the European central Bank. The Seller's ability to claim further damages shall remain unaffected.

The Buyer shall not be entitled to set off and / Or withhold payments, assert lien and / Or rights of retention claims unless such claim is unchallenged and the Seller expressly consents thereto or such claim is finally established by court as being legally valid.

5. Delivery time

Delivery of the goods is made by the Seller to dispatching it to the decided place.

Any delivery dates expressed in purchase orders or otherwise by the Buyer shall not be binding until accepted by the Seller in writing or by rendering the respective performance.

If the Buyer fails to accept delivery on the agreed delivery date, it shall nevertheless pay any part of the purchase price which becomes due on delivery.

Force majeure or operational interruption at Seller's supplier's end, such as civil unrest, strikes, lockouts, embargos which prevent the Seller's temporarily from delivering the contracted goods at the agreed date will entail corresponding delay. If such disruption should lead to a delay in service of more than four month, the Buyer shall have the right to withdraw from the contract in writing. If the delivery or service proves impossible on account of the above circumstances, the Seller shall be freed from obligations. Partial delivery shall be, however, permitted.

The delivery time is extended:

- If the Seller does not receive the information required for the performance of the contract in time, or if the Buyer subsequently changes it, thus causing a delay in delivering of the goods and services or performance; or
- If obstacles arise that the Seller, despite due diligence cannot avoid, regardless of whether such obstacles are caused by a supplier, by the Buyer or by any third party. Such obstacles include epidemics, war, riot, strike, boycott, serious breakdown, accidents, labour disputes, governmental actions or omissions, or acts of nature; or
- If the Buyer or a third party is in delay with the work carried out by them or with the performance of its contractual obligations, in particular if the Buyer dies not comply with the terms of payment.

6. Shipment

Shipment shall be made in accordance to the decided INCOTERMS 2010. The Seller shall decide the mode of shipment. In compliance with the transport insurance coverage, the Buyer shall be obligated to inspect the incoming goods for possible transport damages. Obvious damages to the goods or to the packaging shall be confirmed on the consignment notes by the carrier or its representatives. Concealed damages shall be reported to the carrier as soon as possible after discovery.

7. Warranty

All warranties contained herein shall be expressly conditioned upon:

- the Buyer inspecting the goods for defects after delivery and
- the Buyer notifying to the Seller about such defects, as provided below.

The Buyer shall notify the Seller in writing of obvious defects within 10 days after receipt of the respective goods and in the event of hidden defects, within 10 days from the date of detection. If such written notification is not provided within the time limits outlined above, all claims against the Seller for any such defects shall be excluded.

The Seller warrants that all items delivered under this agreement will be free from defects in material and workmanship, conform to applicable specifications, and, to the extent that detailed designs have not been furnished by the Buyer, will be free from design defects,

The Seller shall not be liable for the goods being fit for a particular purpose to which the Buyer intends to put them unless otherwise agreed upon in writing by the parties.

The above warranty is given by the Seller subject to the following condition:

- o the Seller shall not be liable with respect to any defect in the goods arising from any design or specification supplied by the Buyer;
- o the above warranty does not extend to parts, material or equipment manufactured by or on behalf of the Buyer unless such warranty is given by the manufacturer to the Seller;
- o this warranty does not cover defects in or damage to the goods which are due to improper installation or maintenance, misuse, neglect or any improper application.
- o This warranty does not cover cases and defects, which causes on intentional or grossly negligent breaches of the Seller's contract.

In the event of defective goods, the Seller shall be entitled, at its sole discretion, to either repair or replace the defective goods ("subsequent performance"). Notwithstanding the aforementioned, the Seller has the right to refuse any claim for subsequent performance if it would entail unreasonable cost for the Seller or for any other reasons is unacceptable to the Seller. If subsequent performance fails, is denied, be unreasonable or should the Buyer have granted to the Seller, a grace period in vain or should it be unnecessary for the Buyer to set such grace period as provided for under German law, the Buyer, shall be entitled to ask for abatement or rescind the corresponding contract. All further claims are excluded, unless liability is due to intentional or gross negligence as expressly provided for in Article 8 below.

Warranty claims must be submitted within 12 months from the date transfer of risk occurs.

The Seller's liability shall be expressly excluded if the Buyer undertakes any alterations or installation work on goods delivered by the Seller., or instructs a third party to do so.

All remittances and returned items shall be sent together with the delivery note and the original packaging. If it turns out that the complaint is unjustified, the Seller shall be entitled to claim, in addition to the cost for the dispatch, an appropriate refund.

8. Limitation of Liability

The liability of the Seller no matter for what legal cause – shall be limited to damages directly caused by the Seller either intentionally or through gross negligence. Mandatory liability under applicable statutory law remains unaffected.

9. Transfer of risk

Risk or damage to or loss of the goods shall pass to the Buyer as follows:

- Where the goods are to be delivered somewhere other than Seller's premises, transfer of risk shall occur at the time of delivery or, if the Buyer wrongfully fails to accept delivery of goods, the time when the Seller has tendered delivery of the goods;
- Where goods are to be delivered at the Seller's premises occurs at this time the transfer of risk according to the written accepted INCOTERM 2010.

10. Retention of Title

The seller shall retain title of ownership to the goods delivered to the Buyer until the Seller has received payment in full for the goods and until full payment has been received for any and all claims arising out of this agreement, including any incidental / secondary claims (e.g. default interest) ("Retaining Goods").

Notwithstanding any other claims, the Seller shall be entitled to make against the customer, the Seller shall also have the right to repossess the Retained Goods if the Buyer fails to act in accordance with its obligations under the agreement ("Repossessed Goods").

If the Seller decides to initiate its repossession rights, the Buyer shall release the Repossessed Goods without undue delay.

Repossession of the Retained Goods does not constitute a rescission of the agreement unless expressly stated in writing. After written notification, the Seller shall have the right to sell the Repossessed Goods to satisfy Buyer's debt.

The Buyer shall be entitled to resell Retained Goods in its ordinary course of business as long as the Buyer, is not in default of payment. The Buyer herewith assigns to the Seller, the title to any receivables from the resale of the Retained Goods, in the last invoice amount agreed with the Seller (including value added tax) and the Seller accepts the assignment.

The Buyer shall be entitled to transform, combine and commingle Retained Goods with other goods ("Processing" or Processed Goods") in its ordinary course of business as long as the Buyer is not in default of payment. Such Processing takes place for the Seller. In case of Processing, any rights of the Buyer with respect to becoming owner of the Retained Goods shall be retained in any Processed Goods. If the Buyer combines and / Or commingles the Retained Goods with items not belonging to the Seller, the Seller shall acquire co-ownership of the Processed Goods in ratio of the value of the Retained Goods to the value of the other processed goods at the time of processing.

In the event the Buyer acquires sole ownership of the Processed Goods through commingling, the parties agree that the Buyer shall grant the Seller proportional co- ownership of the Processed Goods.

The Buyer assigns to the Seller its receivables from the Processing and / or the resale of the Processed Goods. The Seller accepts the assignment.

The Buyer shall remain entitled to collect the receivables even after assignment provided that the resale / Processing is affected with the scope of a regular business transaction.

The Sellers right to collect assigned receivables by itself shall remain unaffected by this. The Seller can revoke the Buyers right to sale and do collection, and demand the information and documents necessary for collection of the receivables and collect such receivables if the Buyer does not comply with its payment commitments, is in default of its payment, has filed a bankruptcy petition and / or suspended payments.

The Buyer shall store the Retained / Processed Goods separately and identify them as the Sellers property. The Buyer shall, at its own expense, insure the Retained / Processed Goods for their full replacement value against all damages caused by theft, fire and water.

Any insurance proceeds received by the Buyer with respect to the Retaining / Processed Goods must be paid to the Seller immediately on receipt. All necessary maintenance and inspections of the Retained / Processed Goods shall be performed by the Buyer in a timely manner and at its own expense.

Unless the title of the Retained / Processed Goods has been transferred to the Buyer, the Buyer shall not be entitled to pledge or assign the Retained / Processed Goods as a security.

In case of attachment, seizure or other dispositions by a third party, the Buyer shall inform the Seller immediately in writing and provide the Seller with the necessary documentation which will allow the Seller to institute necessary counter actions.

Furthermore, the Buyer shall be liable for any loss incurred by the Seller with respect such third party depositions if the third party is not in a position to refund the judicial and extra- judicial costs of actions taken pursuant to §771 ZPO (the German Code of Civil Procedure).

As soon as the value of the collateral exceeds the value of the outstanding receivables owed to the Seller by the Buyer by 20%, the seller, at the Buyer's request, is obliged to release the excess collateral.

11. Data protection and Confidentiality

The Seller shall be entitled to progress the data provided by this business agreement or in connection with details supplied, in accordance with the applicable data protection law.

The Buyer undertakes to treat strictly confidential all documents, information and data relating to the seller which it receives in connection with or incidentally through their contractual relationship.

12. Miscellaneous

The Seller reserves the right to improve or modify any of the goods without prior notice, provided that such improvement or modification shall not affect the form or the agreed function of the goods.

Rights and duties shall not be assigned or transferred by either party except with the prior written consent of the other party.

13. General Provisions

The law of the Federal republic of Germany excluding the conflicts of law provisions and the United NATIONS Convention on Contracts for the International sale of Goods (CISG), shall apply exclusively to all legal relationships between Cnc / R+D Machinery GmbH and any Buyer.

The Court of Wermelskirchen, Germany shall have exclusive jurisdiction for all disputes arising out of this agreement.

If any of the provisions of these General Terms of Sale should be or becomes ineffective or impracticable, the validity of the other provisions shall remain unaffected. The ineffective or impracticable article shall be replaced by the statutory provision unless agreed otherwise by the parties. This shall also apply in case of a loophole.

October 2019

CnC / R+D Machinery GmbH