

General Terms and Conditions of Sale and Payment

I.

Application and Scope

1. The following Terms and Conditions of Sale are applicable to all contracts on the supply of goods concluded between Buyer and ourselves. They will apply also to all future business relations without being expressly agreed again. Any diverging conditions stated by Buyer which are not expressly accepted by us are not binding, also in case they are not expressly objected to by us. The following Terms and Conditions of Sale shall also apply if we fulfill Buyer's order without making any reserve upon full knowledge of Buyer's diverging or contrary conditions.
2. All agreements on the fulfillment of the sales contracts made between Buyer and ourselves are laid down in writing in the respective contracts.

II.

Offer and Conclusion of Contracts

1. We can accept an order placed by Buyer which can be qualified as an offer to conclude a contract by sending an acceptance of order within two weeks, or by sending the ordered products within the same period of time.
2. Our offers are subject to change without notice and are non-committal unless being expressly described by us as binding.
3. Our minimum net order value for spare parts is € 50,00 per order. A processing fee of € 15,00 will be charged if the amount is below € 50,00.

III.

Prices / Terms of Payment

1. Our prices are to be understood ex works without packing, unless different conditions are indicated in the acceptance of order. Statutory turnover tax is not included in our prices and will be separately shown on our invoice at its legally prescribed amount at that date.
2. We do not accept deduction of cash discount.

3. The purchase price shall be due for payment upon Buyer's receipt of the invoice, unless any other period of payment is indicated in the acceptance of order. Payment shall not be deemed effected before the time we can dispose of the amount. In case of payment by cheque, payment shall not be deemed to be effected until the time of encashment.
4. In case Buyer defaults in payment, the provisions of law shall apply.
5. Also if complaints for defects or compensating claims are raised, Buyer shall be entitled to a setoff only in case that the compensating claims have become res judicata, were recognized by us or are indisputable. Buyer may exercise the right of retention only if his counterclaim is based on the same contractual relationship

IV.

Time of Delivery and Performance

1. Any dates of delivery or time limits which are not expressly agreed to be binding serve exclusively for information purposes and are given without any obligation.
2. In the event that any delay in delivery for which we are responsible is due to a culpable violation of an important contractual obligation or to an intentional or grossly negligent violation of the contract for which we are responsible – in which case any fault of our representatives or persons employed by us in performing our obligations is attributable to us –
we shall be liable according to the provisions of law with the proviso that in such case our liability for damages is limited to foreseeable and typically occurring damage. Any further liability for a delay in delivery for which we are responsible shall be excluded. Any further statutory rights and claims of Buyer, in addition to the claim for damages due to a delay in delivery for which we are responsible, shall not be affected thereby.
3. In the event that Buyer is in default in accepting the delivery of the goods, we are entitled to claim compensation for the occurring damage and eventual additional costs. The same shall apply in the event of Buyer's culpable violation of his duty to cooperate. Upon the occurrence of delay in accepting, or debtor's delay respectively, the risk of accidental deterioration and accidental perishing or loss passes to Buyer.

V.

Passing of the Risk, Shipping/Packing

1. Loading and shipping shall be made without insurance on Buyer's risk. We will make every effort to take requests and the interest of Buyer as regards mode and shipping

route into consideration; any additional costs arising therefrom – also in case of agreed delivery at no charge to customer – shall be borne by Buyer.

2. When machines are delivered, the risk is transferred to the customer latest upon delivery (dependent on Incoterms 2010), even when the installation is carried out by ALPHA LASER GmbH at a later date.
3. According to the packaging regulations, we do not accept the return of transportation and any other packaging material except pallets. Buyer shall provide for the disposal of such material at his own expense.
4. At Buyer's request and at his expense, we shall take out a transport insurance for shipment of the goods. Before acceptance of the goods (takeover of the forwarder) the customer has to check the packaging for possible damage. The issuing of "pure receipt" by the recipient despite damaged packaging may lead to the rejection of the claims regulation by the insurer. In this case, the recipient is liable to cover the damage.

VI. Warranty and Liability

1. Any claims by Buyer for defects are valid only on the condition that Buyer has properly fulfilled his obligation to inspection and complaint [requirement to make a complaint in respect of a defect immediately on receipt of the goods] pursuant to art. 377 HGB [German Commercial Code].

If we are responsible for the defect we are obliged to provide subsequent fulfilment, unless due to the regulations of law we are entitled to deny subsequent fulfilment. Buyer is obliged to grant us a reasonable period of time for subsequent fulfilment which can be, at Buyer's choice, elimination of the defect (subsequent improvement) or the delivery of new goods. In case of elimination of the defect, the required costs shall be borne by us to the extent that they do not increase because the contractual good is in a place different from the place of performance.

In case subsequent fulfilment fails, Buyer is entitled at his discretion to claim reduction of the purchase price or to declare rescission of the contract. Subsequent improvement shall be deemed failed upon a second futile attempt, unless further trials of subsequent improvement are appropriate to the contractual good and can be reasonably expected from Buyer.

2. Buyer may claim damages for defects under the following conditions only after subsequent fulfilment has failed. Buyer's right to claim further damages under the following conditions shall not be affected thereby.

3. Buyer's claims based on warranty become statute-barred one year after delivery of the goods to Buyer, however at the latest after the use of the laser equipment for more than 1.500 hours of operation, unless we had fraudulently concealed the defect; in such case the regulations of law shall apply. Buyer's warranty claims on delivered spare parts / exchange parts become statute-barred one year after delivery.

The warranty for fiber laser systems is 24 months for all machine components. External fibers and optics are excluded. Opening the seals will result in loss of warranty.

The warranty begins with the date of arrival at customer or 3 months after written notification of readiness for dispatch.

4. We are liable without limitation according to the regulations of law for damage to life, body and health caused by negligent or intentional breach of duty by us, our legal representatives or by persons employed by us in performing our obligations, as well as for damage covered by the law on product liability. We are liable according to the provisions of law for damage not covered by sentence 1 and which are due to intentional or grossly negligent violation of the contract or fraudulent intent by us, our legal representatives or persons employed by us in performing our obligations. In such case, however, our liability for damage is limited to the foreseeable and typically occurring damage to the extent that we, our legal representatives or persons employed by us in performing our obligations have not acted intentionally. To the extent that we have given a quality and/or durability warranty with regard to the goods or parts of same, we are also liable within the scope of such warranty. However, we are liable for damage based on the absence of such warranted quality or durability, but not occurring directly in the goods, only if the risk of such damage is clearly covered by the quality and durability warranty.
6. We are also liable for damage caused by simple negligence to the extent that such negligence concerns the violation of such contractual obligations the observation of which is of particular significance for reaching the purpose of the contract (cardinal obligations).
However, we are liable only to the extent that such damage is typically connected with the contract and foreseeable.
7. Any further liability is excluded without regard to the legal nature of the asserted claim, which particularly applies to claims in tort or claims for compensation of futile expenses instead of performance; unaffected thereby remains our liability according to IV, 2 of the present delivery and payment terms and conditions. To the extent that our liability is excluded or limited, this also applies to the personal liability of our employees, staff members, representatives and persons employed by us in performing our obligations.

8. Buyer's claims for damages for defect fall under the statute of limitations one year after delivery of the goods, at the latest, however, after using the laser equipment for more than 1500 hours of operation. This does not apply to damage to life, body and health caused by us, our legal representatives or persons employed by us in performing our obligations, or if we or our legal representatives have acted negligently or if persons employed by us simply in performing our obligations have acted intentionally.

Buyer's claims for damages due to a defect of delivered spare parts fall under the statute of limitations in one year.

VII. Reservation of Ownership

1. Until the fulfilment of all claims against Buyer corresponding to us now or at a future date, the delivered goods remain our property (reserved property goods). In case of Buyer's conduct contrary to the terms of the contract, e.g. default of payment, we have the right – after setting a reasonable time limit – to demand the return of the reserved property goods. Our taking the reserved property goods back constitutes a rescission of the contract. We have the right to make other use of the reserved property goods taken back. After deduction of an adequate amount for the costs of utilization, the proceeds from utilization shall be set off against the amounts owed to us by Buyer.
2. Buyer shall handle the reserved property goods with care and shall insure them at his own cost taking out a sufficient fire, water and theft insurance at their replacement value.
3. Buyer is entitled to sell or assign and/or use the reserved property goods properly in the ordinary course of business as long as he is not in arrears with payment. Pledging or mortgaging [security for a debt by a lien on property of which the debtor retains possession] is not allowed. Already now for the purpose of security, Buyer assigns to us any claims arising from resale or on any other legal ground (insurance, tortious act) with regard to the reserved property goods (including all claims from current account balance) to their full extent. We hereby accept this assignment. We revocably authorize Buyer to collect the claims assigned to us at his own cost and in his own name. This authorization to collect is subject to revocation at any time if Buyer fails to duly meet his obligation to pay; nor is Buyer entitled to assign this claim for the purpose of collecting the claim by way of factoring, unless simultaneously the obligation of the facturer is specified to effect the counter-performance in the amount of claims directly to us for the time that we still have any claims against Buyer.

4. In case of third parties getting access to reserved property goods, in particular by seizure, Buyer shall indicate our property rights and inform us immediately in order to enable us to enforce our property rights. To the extent that such third party is not in a position to refund us the legal costs in and out of court in this respect, Buyer shall be responsible to do so.
5. We are obliged to release the collateral which correspond to us to the extent that the realizable value of our collateral exceeds by more than 10 % the claims corresponding to us, in which case the choice of the collateral to be released corresponds to us.

VIII.

Export Control Regulations

When exporting ALPHA LASER GmbH products, the applicable export control regulations must be observed. Any approvals must be obtained in good time from the customer and submitted to ALPHA LASER GmbH. If this isn't the case, ALPHA LASER GmbH is entitled to withdraw from the contract without being obliged to pay compensation to the customer. The assessment of whether a product requires an export authorization and the export is subject to special control provisions is the sole responsibility of the customer. The customer shall indemnify ALPHA LASER GmbH from any claims of a third party, irrespective of the nature of the infringement. This also applies to any costs incurred by ALPHA LASER GmbH in connection with the exercise of its rights.

VIII.

Place of Performance, Jurisdiction, Applicable Law

1. Place of performance for delivery and payment as well as for all disputes between us and Buyer resulting from the contract concluded between ourselves and Buyer is our company seat. However, we have the right to bring an action against Buyer also at his place of residence and/or business.
2. The law of the Federal Republic of Germany shall apply, excluding the uniform Convention Relating to a Uniform Law of the International Sale of Goods and the Convention Relating to a Uniform Law on the Formation of Contracts for the International Sale of Goods.