

Affiliate Contract

Distributor Inc – **Distributor** –
and CIMSOURCE GmbH – **Affiliate** –
agree to enter in the following agreement:

Preamble:

CIMSOURCE GmbH operates the Internet platform ToolsUnited (www.toolsunited.com) for tools with geometrically defined cutting edges. The aim is to make product data of tools from different manufacturers available to the tool users in a uniform format. There are corresponding contracts with the tool suppliers represented on ToolsUnited in place. ToolsUnited is not a direct sales or price comparison platform. However, CIMSOURCE would like to meet the customer's expectations and display alternative sources of supply for individual tools.

DISTRIBUTOR markets as authorized distributor the products of the respective tool manufacturer in US State (sales region) and operates among other things a so-called web shop. DISTRIBUTOR positions itself as a qualified partner for machining that does not primarily want to sell by price but by service. Against this background, both parties intend to mutually link their two Internet applications for advertising and promotional purposes.

§ 1 Subject matter of the contract

(1) The subject of the contract is the advertising link between the website of the DISTRIBUTOR www.distributor.com/de-de/shop and the website www.ToolsUnited.com of the affiliate for the purpose of promoting the DISTRIBUTOR's products. Two options are available for this.

(2) The Promo-link to the DISTRIBUTOR's website in the form of a "run-time" link from the "Where-to-Buy" section of ToolsUnited's single item screen. The link to the distributor's Web shop is determined at runtime in the single item screen (crawler) and is displayed non-exclusively at the bottom end of the single item screen with other optional supply sources for the respective tool. The link consists of the logo or the name of the distributor.

(3) Exclusive-link is a special "Where-to-Buy" button. A maximum of 3 Where-to-Buy buttons are displayed prominently on the left top part of the single item screen. The link consists of the logo of the distributor.

(4) The "Where-to-Buy" button is displayed every time a user accesses the single item screens of an items from the advertising region.

(5) Via the "Where-to-Buy" button a link is placed on the product page of the distributor to the corresponding item. The link is activated when a user clicks the "Where-to-Buy" button. The distributor's web shop opens in a separate browser window or in a separate tab.

(6) The advertising region describes the geographical region to which the agreement applies. The "Where-to-Buy" button is only displayed for accesses from this region. DISTRIBUTOR shall provide the ZIP codes of the respective sales regions.

(7) CIMSOURCE is the owner of all exploitation rights for the data server ToolsUnited and its documentation. Copyright, ownership and all other rights to the programs and their subsequent additions remain with CIMSOURCE GmbH.

(8) CIMSOURCE uses the tool data on the basis of bilateral cooperation agreements with the tool suppliers. Copyright, ownership and all other rights to the tool data provided on ToolsUnited remain with the respective tool supplier.

§ 2 Technical specification of the “Where-to-Buy button” (exclusive link)

(1) The "Where-to-Buy" button is created as a GUI-element in 260 x 95 pixels format with the distributor's logo as a PNG graphic (150 x 50 pixels) by CIMSOURCE. The distributor provides the affiliate with his company logo as a PNG graphic (at least 150 x 50 pixels) including the corresponding usage rights.

(2) CIMSOURCE creates the "Where-to-Buy" button and positions it in the ToolsUnited web page at the respective single item screens of the respective items in the upper left quadrant of the screen view or in the upper right part of the compact display respectively. The compact display is linked via search engines (Google,...), for example.

(3) The common items result from the matching of the items of the respective manufacturer, which the DISTRIBUTOR offers in his shop and the items which are available on ToolsUnited. To determine the common items, the DISTRIBUTOR shall send a list (Excel) of the items to CIMSOURCE, which are available in his web shop. CIMSOURCE compares the item number and manufacturer name with the inventory of ToolsUnited. A match can only be identified if CIMSOURCE and the distributor work with the same number domain specified by the tool manufacturer. The matching items are linked with a "Where-to-Buy" button.

(4) The advertising region to which this contract applies is determined for general access based on the zip code of the end user. *(Note: End users need to register with full name and address for a “Search&Source” account)*

(5) The page views of the single item screen (items per manufacturer and region) or the "where-to-buy" clicks are continuously recorded using a reporting tool.

(6) At the DISTRIBUTOR's request, a tracking parameter will be added to the URL so that the distributor can map ToolsUnited's references to his webshop. *(Note: Some tool manufacturers require the DISTRIBUTOR to accept a conversion pixel for webanalytics as a pre condition to their “where-to-buy” consent).*

§ 3 Compensation and payment conditions

(1) The PROMO link (crawler) is free of charge.

(2) For the "where-to-buy" linking of each tool group of a tool supplier, the affiliate shall receive a monthly placement fee and a load-dependent compensation (commission).

(3) The placement fee (“where-to-buy”) shall be due for each linked tool group and/or tool supplier and amounts to \$ 50 per month, including the design and creation of the Where-to-Buy button. The tool groups are defined according to the DIN 4000 series of standards. The tool groups or manufacturers to be linked are specified in the order confirmation and/or in the individual customer agreement. **Special offer: CIMSOURCE offers up to 10 linked tool manufacturers for a monthly flat rate of \$250 for the first 2 full years of operation.**

(4) The load-dependent compensation is defined as “Pay-per-click”. Each time a customer is directed to the distributor's web shop by clicking on the respective where-to-buy link. Two options are available (please tick):

- 0.99 \$/Click (pay-per-click, 200 clicks per month are included in the placement fee)
- 75,- \$ flat per week and sales region (state)

The pay-per-click variant has a cost ceiling of \$500/week. Prices are exclusive of the applicable value-added tax.

(4) The monthly placement fees become due for the first time as the respective link is provided ready for operation. A link is shall be considered ready for operation as the first referral from ToolsUnited reaches the distributors's webshop (usually done as test during the implementation). The settlement periods for use-dependent compensation are generally three months (quarterly). The respective compensation claim of the affiliate is due after the creation of a statement by the affiliate.

(5) The invoices shall normally be sent to the distributor within 2 weeks after the end of the billing period. Deviating from this, the affiliate may invoice later if the data required for billing is not yet available to the affiliate. The distributor shall be informed of this immediately.

(6) Invoices are due without deduction within eight (8) working days after receipt of invoice.

§ 4 Supplementary obligations of the distributor

(1) The distributor informs the affiliate of the web address of the web shop to be linked and allows CIMSOURCE to place the corresponding link. The distributor provides the affiliate with a link to each advertised item or an ID that can be used to create a link to the item in the DISTRIBUTOR's web shop.

(2) During the entire term of this contract, the distributor is obliged to keep the target page (web shop) accessible in accordance with 1.1 of this contract. The distributor will inform CIMSOURCE about possible offline periods of the web shop of more than 2 working days with a deadline of 5 working days. Each offline message should contain the date and time of the start and end of the offline period and be sent by e-mail to support@toolsunited.com

(3) If the distributor detects malfunctions in the linking of the "Where-to-Buy" button, he shall immediately notify CIMSOURCE of these malfunctions by telephone or e-mail to support@toolsunited.com.

(4) The distributor undertakes to indemnify CIMSOURCE against claims of third parties of any kind resulting from the illegality of the contractual where-to-buy links and/or the infringement of third-party rights. The indemnification obligation also includes the obligation to fully indemnify CIMSOURCE from legal defense costs, in particular court and attorneys' fees.

§ 5 Supplementary obligations of the affiliate

(1) The Affiliate will provide the technical requirements for linking as quickly as possible. Where possible, details will be set out in a joint timetable as part of customer-specific agreements (Appendix A).

(2) The Affiliate is obliged to keep the ToolsUnited website accessible for the entire term of this Agreement in accordance with 1.1 of this Agreement. ToolsUnited's uptime (availability for usage and service hours) is based on U.S. working hours. Outside operating hours, the software is usually available (system runtime 365 days, 24 hours), but there is no legal claim to this.

(3) The distributor logo displayed in the "Where-to-Buy" button shall not be modified (visually, content-wise or technically) or otherwise processed or used in any other way without the distributor's prior consent, insofar as this use exceeds the rights granted in this contract.

(4) Further agreements shall be specified in the individual customer agreement (Annex A).

§ 6 Activation/ Deactivation/Removal

- (1) CIMSOURCE will activate the "Where-to-Buy" button after the technical requirements according to § 2 have been created. The activation period corresponds to the term of the contract, less the time required to meet the above technical requirements.
- (2) CIMSOURCE will deactivate the Where-to-Buy button or remove it from the ToolsUnited website upon expiry of the contract term or upon reaching the cost ceiling (§ 3.3).
- (3) CIMSOURCE is entitled to remove or deactivate the Where-to-Buy Button immediately if the distributor is no longer authorized by the respective tool supplier to market the corresponding products. CIMSOURCE is also entitled to deactivate the where-to-buy button if the distributor's web shop cannot be reached for a longer period (more than 2 working days) without which the distributor having informed about a temporary "off-line" period.
- (4) CIMSOURCE shall be entitled to remove or deactivate the Where-to-Buy Button immediately if there are indications that the Where-to-Buy button and/or the target page and/or the environment of the target page is illegal and/or infringes the rights of third parties. Points of reference for an illegality and/or an infringement exist in particular if authorities and/or other third parties take measures of any kind against CIMSOURCE and/or the partner and these measures are based on the accusation of illegality and/or infringement.

§ 7 Warranty and liability

- (1) CIMSOURCE is not liable for the functionality of the communication lines to its server, in case of power failures and failures of servers which are beyond its control. No 100% availability or accessibility of the ToolsUnited website is guaranteed.
- (2) CIMSOURCE rejects any other warranty claims, both direct or indirect claims, including but not limited to the implied warranty of merchantability or fitness for a particular purpose with regard to the software, the tool data and written accompanying material, to the extent possible within the scope of applicable law.

§ 8 Force Majeure

- (1) CIMSOURCE is released from the obligation to perform under this contract if and insofar as the non-performance of services is due to the occurrence of circumstances of force majeure after conclusion of the contract.
- (2) Circumstances of force majeure include, but are not limited to war, strikes, riots, expropriations, cardinal legal changes, storms, floods and other natural disasters as well as other circumstances for which CIMSOURCE is not responsible, especially water intrusions, power failures and interruptions or destruction of data lines.
- (3) Each contracting party shall immediately inform the other contracting party in writing of the occurrence of a case of force majeure.

§ 9 Confidentiality

- (1) If one of the contracting parties receives information about the technology of electronic database or webshop linking that is not generally accessible from the other contracting party, it undertakes to treat the information received confidentially and not to make it accessible to third parties. The distributor also undertakes to treat all item lists, source codes, object libraries, data models, executable programs and any files and documentation confidentially.
- (2) This confidentiality obligation shall also apply to the contractor's employees even beyond their possible withdrawal from the contractor's company.

(3) If it is necessary to pass on the information on the content of the electronic tool data exchange covered by the confidentiality obligation to third parties, the distributor will obtain the written consent of CIMSOURCE beforehand.

4. These obligations shall not apply to information, knowledge and experience which

- (a) are demonstrably generally known without breach of this confidentiality obligation,
- (b) the parties were already demonstrably aware of before having received the information, knowledge and experience,
- (c) received from a third party without obligation of confidentiality; or
- (d) have been demonstrably developed independently.

§ 10 Term and Termination

(1) The term of the affiliate contract shall be one year (12 months) and may be terminated by both parties in text form, quarterly with a notice period of three weeks (21 calendar days) to the end of the quarter.

(2) The affiliate contract ends automatically in the event that the tool manufacturer, whose products the distributor markets, terminates his contract for data provision with CIMSOURCE. The end date of the contract is the date on which CIMSOURCE has to remove the corresponding tool data from CIMSOURCE as a result of the manufacturer's termination.

(3) Notice of termination must be given in writing; the date of termination shall be the postmark or, in the case of registered letters, the date of dispatch.

§ 11 Severability Clause

The law of the Germany shall be exclusively applicable to this contract. There are no subsidiary agreements. Amendments and changes to this contract must be made in writing. Should individual provisions of this contract be or become partially invalid, the legal validity of the contract in all other respects shall stay in effect. The contracting parties are then obliged to agree on a provision instead of the invalid provision which comes closest to the economic purpose of the invalid provision in a permissible manner. The same applies to possible gaps in the contract.

§ 12 Final

(1) The distributor can transfer the rights and obligations from this contract to third parties only after prior written consent of CIMSOURCE. CIMSOURCE, however, is entitled to transfer the rights and obligations arising from this contract to a group company within the meaning of § 15 of the German Stock Corporation Act. CIMSOURCE will inform the user in writing.

(2) No oral subsidiary agreements have concluded. Amendments, supplements and additions to this contract are only valid if they are agreed in writing between the parties.

(3) Place of performance for all obligations arising from this contract and place of jurisdiction for all disputes in connection with this contract is Aachen, Germany.

4. The signatories to this Agreement confirm that they are duly entitled to sign this Agreement on behalf of their respective companies.

Location:Date

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CIMSOURCE GmbH

Dr. Götz Marczinski

Location..... Date.....

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Distributor