

I. General Terms

(1) The scope of deliveries and services (hereinafter: the "Supplies") shall be exclusively determined by the following delivery conditions; terms to the contrary of the Purchaser will not be recognized by CW Sonderoptic GmbH (hereinafter: the Supplier), unless their validity is expressly approved in writing. The following General Terms and Conditions shall also apply if the Supplier unconditionally performs the order in the knowledge that the Customer's terms and conditions may conflict with or deviate from its own. (2) The delivery terms are effective only with respect to entrepreneurs, as provided by Sec. 310 par. 1 German civil code (BGB).

II. Prices and terms of payment

(1) Prices shall be ex works and exclude packaging; value added tax shall be added at the then applicable rate. (2) Payments to the Supplier shall be made without any deduction fee. (3) The Purchaser shall only be entitled to offset with claims, which are undisputed or against which no legal recourse is possible. (4) The Supplier may assign his claims with regard to deliveries and services for financing purposes.

III. Retention of title

(1) Items pertaining to the Supplies („Retained Goods“) shall remain the property of the Supplier until each and every claim the Supplier has against the Purchaser on account of the business connection has been fulfilled. If the combined value of the security interests of the Supplier exceeds the value of all secured claims by more than 10%, the Supplier shall release a corresponding part of the security interest if so requested by the Purchaser. (2) For the duration of the retention of title the Purchaser shall be prohibited from pledging or transferring by way of security the Retained goods and the resale of the items shall be permitted to resellers in the usual course of business and only under the condition, that the reseller receives payment from his Purchaser or makes the provision that the ownership to the Purchaser is transferred only when the Purchaser has made the payment in full. The Purchaser shall already now assign to the Supplier all receivables in the value of the Supplier's invoiced amount (including VAT), which accrue to the Purchaser from resale irrespective of whether the delivery items are resold without or after processing. The Supplier shall remain authorized to collection of these receivables even after the assignment. This shall not affect the Supplier's right to collect such receivables. The Supplier undertakes not to collect receivables, as long as the Purchaser complies with his payment obligations arising out of the proceeds collected, is not in default of payment and in particular has not filed a petition for the opening of insolvency proceedings and payments have not been suspended. If this occurs, however, the Supplier may request the Purchaser to inform him about the assigned claims and their debtors, provide all information required to collect the claims, hand over the related documents and inform the debtor (third party) about assignment. (3) The Purchaser undertakes to treat the purchased item with care; in particular, it undertakes to insure the item against fire and water damage and theft at its own expense, with the insured sum being adequate to cover the replacement value. (4) Should Supplier's ownership be dissolved by combination, commingling or processing, then the Purchaser transfers to the Supplier already now the ownership or expectancy rights to which he is entitled in the new product or the goods to the extent of the invoice value of the Retained goods, and shall store the goods subject to reservation at no cost to the Supplier. The co-ownership right shall apply to Retained goods within the meaning of No. 1 hereof. (5) In case of attachments, seizures or other orders or interference by third parties the Purchaser must inform the Supplier immediately so that he can institute a claim according to Sec. 771 ZPO [German Code of Civil Procedure]. To the extent the third party is unable to compensate the Seller for any legal and out-of-the-court costs of a legal action as per Sec. 771 ZPO [German Code of Civil Procedure] the Purchaser shall pay for the losses incurred. (6) In case of breaches of duty of the Purchaser, in particular in case of default in payment, the Supplier is entitled to cancellation and to taking the goods back after the unsuccessful expiry of a deadline set to the buyer; the statutory provisions concerning the dispensability of setting a deadline remain unaffected. The Purchaser shall be obliged to release the goods. The application for initiation of insolvency proceedings shall entitle the Supplier to withdraw from the contract and to demand the immediate return of the subject of the contract.

IV. Deadline for delivery; Delay

(1) Times set for Supplies can only be observed if all Documents to be supplied by the Purchaser, necessary permits and releases, especially concerning plans, are received in time and if agreed terms of payment and other obligations of the Purchaser are fulfilled. Unless these conditions are fulfilled in time, deadlines set shall be extended appropriately; this shall not apply where the Supplier is responsible for the delay. (2) If non-observance of the times set is due to force majeure circumstances, such as mobilization, war, rebellion or similar events, e. g. strike or lockout, such times shall be extended accordingly. (3) If the Supplier is responsible for a delay in delivery, the Purchaser who can establish credibly that he suffered a loss from such delay may claim agreed compensation of 0.5% for every completed week of delay but in no event shall the aggregate of such compensation exceed a total of 5% of the price of that part of the Supplies which, because of the delay, could not be put to the intended use. (4) Both compensation claims on the part of the Purchaser for delivery default and compensation claims in lieu of performance, which exceed the limits stipulated in clause 3, shall be excluded in all instances of delayed delivery, including after the expiry of any delivery deadline which may have been set. This shall not apply in cases of wilful intent, gross negligence or injury to life, body or health, where compulsory liability applies. The Purchaser may withdraw from the contract within the framework of the prevailing statutory provisions only insofar as the Supplier is responsible for a delay in delivery. The above stipulations shall not entail a change in the burden of proof to the detriment of the Purchaser. (5) The Purchaser shall, at Supplier's request, undertake to declare within a reasonable period of time, whether it is withdrawing from the contract due to a delay in delivery or is insisting upon delivery. (6) In the event that dispatch or delivery should, at the behest of the Purchaser, be delayed by more than one month following notification of readiness for dispatch, the Purchaser may, for every month commenced, be invoiced storage costs to the amount of 0.5% of the price of the delivery items, though no more than a total of 5%. The contracting parties shall be at liberty to prove that lower or higher storage costs have accrued.

V. Transfer of risk

(1) Even where goods are delivered freight paid, the risk transfers to the Purchaser at the time goods are dispatched or collected. By request and at the cost of the Purchaser the freight will be insured by the Supplier against standard transportation risks. (2) If the dispatch, delivery or acceptance in own plant facility or trial operation are delayed for reasons attributable to the Purchaser or the Purchaser delays acceptance on other grounds, the risk shall be transferred to the Purchaser.

VI. Acceptance, partial deliveries

(1) The Purchaser must not refuse acceptance on the ground of minor defects. (2) The Supplier shall be entitled to partial deliveries.

VII. Material defects

(1) All parts or services where a Defect becomes apparent within the limitation period shall, at the discretion of the Supplier, be repaired, replaced or provided again free of charge, irrespective of the hours of operation elapsed, provided that the reason for the Defect had already existed at the time when the risk passed. (2) Claims for material defects shall become statute-barred after 12 months. This shall not apply insofar as the law stipulates longer deadlines as well as in cases of the injury to life, the body or the health, with a wilful or grossly negligent breach of duty of the Supplier and with malicious non-disclosure of the defect. This shall be without prejudice to the statutory rules relating to the suspension of the limitation period, suspension and recommencement of time limits. (3) The Purchaser shall be required to immediately give written notice of defects to the Supplier. (4) In the event of notices of defects, payments of the Purchaser may be retained in the volume, which shows a reasonable ratio to the material defects incurred. The Purchaser, however, may withhold payments only if the subject-matter of the notification of the

Defect occurred is justified beyond doubt. If the notification of defect was unjustified, the Supplier shall be entitled to demand the reimbursement of expenses incurred from the Purchaser. (5) The Supplier shall first be given the opportunity to supplement its performance within a reasonable period of time. (6) If supplementary performance is unsuccessful, the Purchaser shall be entitled to cancel the contract or reduce the remuneration, irrespective of any claims for damages it may have according to Art. X. (7) There shall be no claims based on Defect in cases of insignificant deviations from the agreed quality, of only minor impairment of usefulness, of natural wear and tear or damage arising after the transfer of risk from faulty or negligent handling excessive strain, unsuitable equipment, defective workmanship, inappropriate foundation soil or from particular external influences not assumed under the contract, or from non-reproducible software errors. Claims based on defects attributable to improper modifications or repair work carried out by the Purchaser or third parties and the consequences thereof shall be likewise excluded. (8) The Purchaser shall have no claim with respect to expenses incurred in the course of supplementary performance, including costs of travel and transport, labor, and material, to the extent that expenses are increased, because the subject-matter of the Supplies was subsequently brought to another location than the Purchaser's branch office, unless doing so complies with the intended use of the Supplies. (9) The Purchaser's right of recourse against the Supplier pursuant to Sec. 478 BGB (German Civil Code) is limited to cases where the Purchaser has not concluded an agreement with its customers exceeding the scope of the statutory provisions governing claims based on Defects. Moreover, No. 8 above shall apply mutatis mutandis to the scope of the right of recourse the Purchaser has against the Supplier pursuant to Sec. 478 par. 2 BGB (German civil code). (10) Furthermore, the provisions of Art. X (Other Claims for Damages) shall apply in respect of claims of damages. Any other claims of the Purchaser against the Supplier or its agents or any such claims exceeding the claims provided for in this Art. VII, based on a Defect, shall be excluded.

VIII. Industrial property rights and copyright; Defects in title

(1) Unless otherwise agreed, the Supplier shall provide the Supplies free from third parties' industrial property rights and copyrights (hereinafter referred as „IPR“) with respect to the country of the place of destination. If a third party asserts a justified claim against the Purchaser based on an infringement of an IPR with respect to the Supplies made by the Supplier and then used in conformity with the contract, the Supplier shall be liable to the Purchaser within the time period stipulated in Art. VII No. 2 as follows

- The Supplier shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the Supplies concerned or whether to modify the Supplies such that they no longer infringe the IPR or replace them. If this would be unreasonable to demand from the Supplier, the Purchaser may cancel the contract or reduce the remuneration pursuant to the applicable statutory provisions
- The Supplier's liability to pay damages shall be governed by Art. X.
- The above obligations of the Supplier shall only apply if the Purchaser immediately notifies the Supplier of any such claim asserted by the third party in writing, does not concede the existence of an infringement and leaves any protective measures and settlement negotiations to the discretion of the Supplier. If the Purchaser stops using the Supplies in order to reduce the damage or for other good reason, it shall be obliged to point out to the third party that no acknowledgement of the alleged infringement may be inferred from the fact that the use has been discontinued.

(2) Claims of the Purchaser shall be excluded if it is itself responsible for the infringement of an IPR. (3) Claims of the Purchaser shall also be excluded if the infringement of the IPR is caused by specifications made by the Purchaser, to a type of use not foreseeable by the Supplier or to the Supplies being modified by the Purchaser or being used together with products not provided by the Supplier. (4) In addition, with respect to claims by the Purchaser pursuant to No. 1 a) above, Art. VII. Nos. 4, 5, and 9 shall apply mutatis mutandis in the event of an infringement of an IPR. (5) Where other defects in title occur, Art. VII shall apply mutatis mutandis. (6) Any other claims of the Purchaser against the Supplier or its agents or any such claims exceeding the claims provided for in this Art. IX., based on a defect in title, shall be excluded.

IX. Impossibility of performance; Adaptation of contract

(1) To the extent that Supplies are impossible to be carried out, the Purchaser shall be entitled to claim damages, unless the Supplier is not responsible for the impossibility. The Purchaser's claim for damages shall, however, be limited to an amount of 10 % of the value of the part of the Supplies which, owing to the impossibility, cannot be put to the intended use. This limitation shall not apply in the case of mandatory liability based on intent, gross negligence or injury of life, body or health; this does not imply a change in the burden of proof to the detriment of the Purchaser. The right of the Purchaser to cancel the contract shall remain unaffected. (2) Where unforeseeable events within the meaning of Art. IV No. 2 substantially change the economic importance or the contents of the Supplies or considerably affect the Supplier's business, the contract shall be adapted taking into account the principles of reasonableness and good faith. Where doing so is economically unreasonable, the Supplier shall have the right to cancel the contract. If the Supplier intends to exercise its right to cancel the contract, it shall notify the Purchaser thereof without undue delay after having realized the repercussions of the event; this shall also apply even where an extension of the delivery period had previously been agreed with the Purchaser.

X. Other claims for damages

(1) Any claims for damages and reimbursement of expenses the Purchaser may have (hereinafter referred to as „Claims for Damages“), based on whatever legal reason, including infringement of duties arising in connection with the contract or tort, shall be excluded. (2) The above shall not apply in the case of mandatory liability, e. g. under the German Product Liability Act („Produkthaftungsgesetz“), in the case of intent, gross negligence, injury of life, body or health, or breach of a condition which goes to the root of the contract. However, Claims for Damages arising from a breach of a condition, which goes to the root of the contract, shall be limited to the foreseeable damage, which is intrinsic to the contract, unless caused by intent or gross negligence or based on liability for injury of life, body or health. The above provision does not imply a change in the burden of proof to the detriment of the Purchaser. (3) To the extent that the Purchaser has a valid Claim for Damages according to this Art. X, it shall be time-barred upon expiration of the limitation period applicable to Defects pursuant to Art. VII No. 2. In the case of claims for damages under the German Product Liability Act, the statutory provisions governing limitation periods shall apply.

XI. Place of performance, venue and applicable law

(1) The place of performance for all supply obligations of the Supplier is its place of business. (2) If the Purchaser is a businessperson/entrepreneur, sole venue for all disputes arising directly or indirectly out of the contract shall be the Supplier's place of business. However, the Supplier may also bring an action at the Purchaser's place of business. (3) Legal relations existing in connection with this contract shall be governed by German substantive law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The international jurisdiction of German courts is agreed herewith.

XII. Severability clause

The legal invalidity of one or more provisions of this contract shall in no way affect the validity of the remaining provisions. This shall not apply if it would be unreasonable for one of the parties to continue the contract.