

Via Optronics GmbH

General Terms and Conditions of Sale

I. General Provisions

1. The present General Terms and Conditions shall apply exclusively. The Supplier shall not acknowledge the Ordering Party's conflicting or deviating terms and conditions unless the Supplier has explicitly consented to such terms and conditions in writing. The present Terms and Conditions shall also govern any future transactions between the parties even if the Supplier performed deliveries although the Supplier was aware of the fact that deviating or conflicting terms and conditions exist. The present Terms and Conditions shall only be valid vis-à-vis companies, legal public-law entities or special public-law funds in terms of section 310 par. 1 German Civil Code (BGB).
2. The Supplier reserves unlimited exploitation rights under property right and copyright with respect to cost estimates, drawings and other documents (hereinafter referred to as "Documents"). The Documents may only be made available to third parties upon the Supplier's prior consent. If no order is actually placed with the Supplier in the end, the Supplier may request that such Documents be returned and in this case such Documents must be returned to the Supplier without undue delay. Sentences 1 and 2 shall accordingly apply to the Ordering Party's documents; such documents, however, may be made available to third parties if the Supplier has, subject to permission to do, so assigned deliveries to them.
3. The Ordering Party has the non-exclusive right to use standard software on the agreed equipment with the agreed performance characteristics and in unmodified form. The Ordering Party has the right to create two back-up copies without an explicit agreement having been made.
4. It is permitted for the Supplier to make partial deliveries to the extent the Ordering Party may be expected to tolerate such partial deliveries, if they are avoided unless absolutely necessary and if the Supplier bears the additional costs incurred for partial deliveries.
5. The contract shall only come into force when the Supplier has accepted the purchase order either by means of an order confirmation or by starting to process the order/to make delivery. It is only permitted for the Ordering Party to cancel a purchase order within one (1) week of receipt of the purchase order by the Supplier unless the Supplier in turn has already ordered raw materials or components for such purchase order.

II. Prices and Terms of Payment

1. Prices are stated ex works, excluding packaging and plus the statutory value-added tax, as applicable and amended at the time.
2. The purchasing price shall be due for payment in net terms within fourteen (14) days of the invoice date. After the due date, the Ordering Party will be charged default interest totalling eight percentage points above the respective base rate p.a..
3. Should the Ordering Party negligently breach contractual duties which are of the essence, in particular if the Ordering Party is in delay with payment, the Supplier has the right to request return delivery after having sent the Ordering Party a reminder/dunning notice. The Ordering Party has the duty to return the items delivered.
4. Quotes shall be valid for fourteen (14) days unless a deviating validity date was explicitly mentioned on the quote.
5. 80% of the price charged for development services must be paid on placement of the order, 20% when the performance was actually rendered. The date of receipt of payment on one of the Supplier's accounts shall be considered the starting date for scheduling development services. Deviating rules must be agreed in writing to be valid.
6. Any international shipping costs and customs duties that may be incurred shall be charged separately. This shall also apply to costs associated with advanced services and bank fees that may also have been incurred. Costs will be invoiced in full as incurred, on a case-by-case basis including a lump sum that depends on the country of origin.
7. Should the product price be dependent on the exchange rate of a foreign currency (such as US dollars), quotes on a euro (€) basis shall be based on the exchange rate that was valid on the date of issue of the quote underlying the purchase order. Should the exchange rate change by more than 5%, the Supplier has the right to adjust the price and the Ordering Party may also request that the price be adjusted accordingly. Such an adjustment may not, however, be carried into effect any earlier than three months after receipt of order and thereafter only every quarter.
8. If the Supplier has assumed set-up or installation and unless otherwise agreed upon, the Ordering Party shall bear not only the agreed fees but all the necessary ancillary charges like travelling expenses, costs of transportation of the set of tools and personal luggage as well as per diem allowances.
9. Payment must be made free of charge to Supplier's paying agent.

10. The Ordering Party may only offset the Supplier's claims against the Ordering Party's claims to the extent such claims are undisputed or res judicata claims.

III. Duty to Accept Return Delivery, Waste Disposal, Packaging

1. The Ordering Party shall assume the obligation to accept return delivery and dispose of the products delivered as well as the packaging. In particular, this also includes the statutory waste disposal obligations with a view to electronic assembly groups, for instance.
2. The Supplier has the right to use recyclable packaging. In this case, the Ordering Party shall undertake to promptly return to the Supplier for reutilisation empty packaging at Ordering Party's expense.

IV. Terms of Delivery and Default

1. The term of delivery will be determined at reasonable discretion depending on the delivery situation prevailing at the time of placement of the purchase order with respect to sub-supplied components and utilisation of manufacturing capacity.
2. The agreed terms of delivery may only be observed if all of the documents to be supplied by the Ordering Party are received, plans in particular, and approvals and permits that are required are obtained on time and if the agreed terms of payment and other obligations are also observed by the Ordering Party. If these conditions are not satisfied in due time, the terms of delivery shall be reasonably extended; this rule shall not apply if it is the Supplier who is responsible for the delay.
3. If the terms may not be observed for force majeure reasons such as mobilisation, war, civil commotion or similar events such as strike, lock-out, the terms shall be extended accordingly.
4. Should dispatch or delivery be postponed at the Ordering Party's request by more than one month after notice of readiness for delivery, the Ordering Party may be charged storage fees totalling 1.5% of the price for every new month, up to a maximum of 10% in case the Ordering Party is not responsible for the delay. It is explicitly permitted for the parties to furnish evidence for higher or lower actual storage fees having been incurred.

V. Passage of Risks

1. Even if shipments are sent carriage paid, risks shall pass to the Ordering Party as follows:
 - a) In case of delivery excluding set-up or installation when the shipment was made available for collection by the Ordering Party or dispatched at Ordering Party's request or handed out to the forwarding agent. At Ordering Party's request and expense, the Supplier will take out the usual transport risk insurance for shipments.
 - b) In case of delivery including set-up and installation on the day that such delivery is integrated into Ordering Party's own operations or, to the extent agreed, when the performance went into trial operation without any problems.

2 Risks shall pass to the Ordering Party should the shipment, the delivery, the start, performance of set-up or installation, integration into Ordering Party's own operations or trial operations be delayed for reasons for which the Ordering Party may be held accountable or should the Ordering Party for other reasons be in delay with acceptance.

VI. Set-up and Installation

Unless otherwise agreed in writing, the following rules and regulations shall apply with respect to set-up and installation:

1. The Ordering Party must at its own expense assume and make available in due time:
 - a) any excavations, construction and other ancillary operations outside the particular sector including the skilled and unskilled workers required to this end, building materials and tools;
 - b) the utensils and materials required for installation and taking into operation like scaffoldings, lifting platforms and other devices, fuels and lubricants;
 - c) energy and water at the application site including connections, heating and lighting;

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- d) sufficiently big suitable, dry and lockable rooms at the installation site for storing the machine parts, devices, materials, tools etc. and adequate work and social rooms including sanitary facilities considered suitable considering the circumstances for the installation personnel; otherwise the Ordering Party shall take suitable action on the building site to protect the Supplier's and installation personnel's possessions which the Ordering Party would also take to protect its own possessions;
- e) protective garments and protective devices that are necessary as a result of special circumstances prevailing on the installation site.

2. Before the installation work starts, the Ordering Party must automatically make available the necessary information regarding the location of hidden electricity, gas, water lines and similar installations as well as necessary statistical information.

3. Before starting set-up and installation, the provisions and objects required for starting the operations must be located at the set-up or installation site and all the preliminary works must be completed prior to start of set-up to such an extent that set-up and installation may be started in line with agreements and performed without interruptions. Driveways and the set-up or installation site must be bulldozed and cleared.

4. Should set-up, installation or the taking into operation be delayed for reasons for which the Ordering Party is responsible, the Ordering Party must pay a reasonable portion of the costs of waiting time and additional trips the Supplier or installation personnel must undertake.

5. Each week the Ordering Party shall without undue delay certify to the Supplier the duration of the installation personnel's working hours as well as the completion of set-up, installation or taking into operation.

6. Should the Supplier request that the performance test be performed after completion, the Ordering Party must perform it within two (2) weeks. Should the Ordering Party fail to do so, the performance shall be deemed to have been accepted.

VII. Delivery Taking

The Ordering Party must take delivery of shipments with immaterial defects. The Ordering Party's warranty rights shall be conditional upon due performance of any duties owed in line with section 377 German Commercial Code (HGB) like the duty to inspect the shipment and complain about defects, if applicable. Any defects that were discovered must be documented and a notice of defects must be given within three days.

Any defects that the Ordering Party may notice after this period has expired must not be tolerated by the Supplier unless they are covered by warranty.

VIII. Warranty, Limitation of Actions and Retaining Lien

The Supplier shall be held liable as follows for any defects including the absence of warranted characteristics:

1. Warranty claims may be asserted within twelve (12) months of the passage of risks; Warranty claims shall become time-barred after this 12-month period has expired, at any rate within three (3) months of notification of the notice of defects at the latest (should it have been made on expiry of the 12 months and the defective units have not been made available to the Supplier for rectification of defect by then). Written notice of the warranty claims, however, may be given once again within the warranty period.

2. In case of the existence of defects in the goods, the Ordering Party has the right to request supplementary performance by way of rectification of defects or delivery of a non-defective product.

The Supplier may at its discretion rectify the defect or deliver a non-defective product. Prior notice of return delivery to the Supplier must be given by way of the notice of defects. On receipt of the notice of defects, the Supplier shall decide whether the Supplier acknowledges the defect or whether the Ordering Party will be asked to send in the product for evaluation. The Supplier shall bear the necessary expenses such as transportation, travel, labour and material costs that need to be incurred for the purpose of supplementary performance. A debit note may be issued in the context of return delivery by the Ordering Party to the Supplier. The Ordering Party is only allowed to offset the debit note against existing invoices after the Supplier has informed the Ordering Party in writing that the Supplier acknowledges the defect and supplementary performance has failed. This shall not affect the right to offset undisputed and res judicata claims. Should supplementary performance fail, the Ordering Party has the right to reduce the purchasing price or rescind the contract.

3. In case of notices of defect, the Ordering Party may retain a percentage of its payments directly associated with the respective shipment that is appropriate and reasonable considering the defects discovered. If the contract pertains to the operation

of the Ordering Party's business, the Ordering Party may only retain payments if a notice of defects was asserted which is undoubtedly justified. Payments may only be retained if goods were returned within one month of written notice of defects.

4. The Supplier must rectify defects. The Supplier must be given reasonable time and opportunity for rectifying the defect.

5. Third-party encroachment on the Supplier's products shall result in all of the warranty claims being forfeited.

6. Should the Supplier fail to rectify the defect within the reasonable period of grace granted to the Supplier (unless the Ordering Party is exclusively or primarily responsible for this situation), the Ordering Party may request that the contract be rescinded (rescission) or that the remuneration be reduced (reduction of purchasing price).

7. Should additional warranty periods beyond the warranty period defined in VIII have been agreed by contract, the following shall apply: If there are serial defects in components used, warranty shall be reduced to the period which the manufacturer of these components acknowledges and accordingly rectifies defects in or replaces the respective parts unless these periods are less than the periods in Art. VIII.

8. The warranty period for rectification of defect, substitute deliveries or substitute performance is 12 months; it shall not end before the original warranty period for the delivered object has expired. For parts which may not expediently be operated due to the interruption it shall be extended by the duration of interruption of performance caused by the rectification of defects, substitute delivery or performance.

9. The terms mentioned in items 1, 2 and 7 shall apply unless the law imperatively prescribes longer terms in line with section 634a German Civil Code (BGB).

IX. Other Liability

1. Should we or our representatives or vicarious agents act with gross negligence or wilful intent, we may be held liable in line with statutory provisions. This also applies in case of culpable breach of contractual obligations which are of the essence. Unless the contract was breached with wilful intent, our liability for claims for damages shall be limited to loss or damage foreseeable that typically occurs.

2. Liability for culpable damage to life, body or health as well as liability under the product liability act shall not be affected by this rule.

3. Unless explicitly regulated otherwise by Articles VIII or IX above, liability shall be excluded.

X. Industrial Property Rights and Copyright

1. Should a third party assert justified claims against the Ordering Party on the grounds of infringement of an industrial property right or copyright (hereinafter referred to as "property rights") by products supplied by the Supplier and used by the Ordering Party in line with the contract, the Supplier shall be liable to Ordering Party as follows:

a) The Supplier shall at its discretion and its expense either obtain a right of use of the product, change the product in such a way that the property right is not infringed upon or substitute the product. Should the Supplier only be able to do so at disproportionately high costs, the Supplier must accept return delivery of the product and in return compensate the Ordering Party for the purchasing price.

b) The Supplier's aforementioned obligations shall only exist if the Ordering Party informed the Supplier in writing of claims asserted by a third party without undue delay, did not acknowledge infringement and all the defence action and settlement negotiation options are reserved for the Supplier. If the Ordering Party has decided to stop using the product in order to mitigate loss or damage or for any other good reason, the Ordering Party undertakes to point out to the third party that this interruption of use does not constitute an acknowledgement of infringement of third party property rights.

2. The Ordering Party's claims shall be excluded to the extent it is the Ordering Party who is responsible for the infringement of property rights.

3. Also, the Ordering Party may not assert any claims if the property right infringement was caused by the Ordering Party's specific requirements, by an application not foreseeable by the Supplier or by the fact that the product was modified by the Ordering Party or used in combination with products not supplied by the Supplier.

4. Art. IX (other liability) shall remain unaffected like the right of the Ordering Party to reduce the purchase price and to rescind the contract. The Ordering Party shall not have any further rights against the Supplier.

XI. Impossibility, Changes in Contract

1. Should it become impossible for the Supplier to perform the delivery for a reason for which the Supplier may be held accountable, the Ordering Party has the right to claim damages. The Ordering Party's claims for damages, however, shall be limited to 10%

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of the value of the part of the shipment that could not be duly taken into operation on the grounds of impossibility of performance. This rule shall not apply if liability is imperative in case of wilful intent, gross negligence or initial impossibility; this shall not be associated with a change in the burden of proof to the Ordering Party's detriment. The right of the Ordering Party to reduce the purchasing price and to rescind the contract shall not be affected by this rule.

2. Should unforeseeable events in terms of Art. IV no. 3 substantially impair the shipment's commercial significance or contents or substantially affect the Supplier's operations, the contract shall be reasonably adapted in good faith. Should this not be justifiable from a commercial point of view, the Supplier shall have the right to rescind the contract. Should the Supplier wish to exercise this right to rescind the contract, the Supplier shall be required to notify the Ordering Party thereof without undue delay after realising the scale of this event even if it had initially been agreed with the Ordering Party to extend the term of delivery.

XII. Venue, Exclusive Right

1. If the Ordering Party is a registered merchant, the Supplier's headquarters or the Supplier's branch office, at the Supplier's discretion, shall be the exclusive place of jurisdiction for any disputes that may arise directly or indirectly from the contractual relationship.

2. The contractual relationship shall be governed by German law. The Convention on Contracts for the International Sale of Goods (CISG), shall be excluded.

XIII. Binding Nature of the Contract

1. The remainder of this contract shall continue to be binding even if individual provisions of this contract may be or become legally invalid. This shall not apply if it would constitute an unreasonable hardship for either of the parties to continue to be bound by the terms of this contract.

2. Orders confirmed by the Supplier may not be cancelled and may not be reimbursed. Section I.5 shall not be affected by this rule.

3. Delivery deadlines already confirmed may only be postponed by the Ordering Party subject to the Supplier's consent.

4. On a goodwill basis, the Supplier may consent to cancellation of orders but no duty to do so exists. Should the Supplier consent to cancellation of an order, the Ordering Party must assume any costs the Supplier may have incurred so far. This shall include but not be limited to supplies of goods and time spent.

XIV. Overall Reservation of Title

1. The subject-matter of delivery (reserved goods) shall remain the Supplier's property unless all of the claims the Supplier has against the Ordering Party in the context of the business relationship have been performed. Should the value of all security interests the Supplier is entitled to exceed the value of claims collateralised by more than 20 per cent, the Supplier shall at the Ordering Party's request release a corresponding part of the security rights.

2. For as long as the reservation of title prevails, the Ordering Party is not permitted to pledge or transfer reserved goods as collateral and reserved goods may only be sold to resellers in the ordinary course of business and only subject to the condition that the reseller receives payment from its customers or reserves the right to only transfer ownership of the object to the customer as soon as payment obligations have been satisfied in full.

3. a) Should the Ordering Party sell on reserved goods, the Ordering Party already today agrees to assign to the Supplier as security the Ordering Party's future claims from resale vis-à-vis its customers including all ancillary rights – including, if applicable, balances outstanding receivable without special declarations having to be made at a later stage. Should the reserved goods be sold on together with other objects without an individual price having been agreed for the reserved goods, the Ordering Party shall assign to the Supplier a right that has priority over the other claim for the part of the over price receivable that corresponds to the price of the reserved goods invoiced by the Supplier.

b) If prima facie evidence for the existence of a justified interest exists, the Ordering Party must provide the Supplier with information that the Supplier needs to assert its rights against the customer and hand out the necessary documents.

c) Until further notice, the Ordering Party has the right to collect the assigned receivables from resale. Should an important reason, in particular in case of delay with payment, suspension of payment, commencement of insolvency proceedings, bill of exchange protest or if comparable indicators justifying this step exist that would be interpreted as indicators for the Ordering Party's insolvency, the Supplier has the right to revoke the Ordering Party's right to collect receivables. After having threatened in advance to disclose the assignment for security purposes or realisation of the receivables assigned as security and after a reasonable period of grace has expired,

the Supplier may also request that the Ordering Party disclose the assignment for security purposes, realise the receivables assigned as collateral and disclose to the customer the assignment for security purposes.

4. a) The Ordering Party has the right to process the reserved goods, convert them or combine them with other objects. The Ordering Party shall in this case process, convert or combine the reserved goods with other objects on behalf of the Supplier. The Ordering Party shall keep the new object on behalf of the Supplier with the due diligence of a prudent business man. The processed, converted or combined objects shall be considered the reserved goods.

b) If goods are processed, converted or combined with other objects that do not belong to the Supplier, the Supplier shall have a co-ownership right in the new object at a percentage which corresponds to the share of the processed, converted or combined reserved goods relative to the value of the other goods processed at the time of processing, conversion or combination. Should the Ordering Party become the exclusive owner of the new object, the Supplier and the Ordering Party have agreed that the Ordering Party will grant the Supplier co-ownership rights in the new object created as a result of processing, conversion or combination at a percentage which corresponds to the value of the processed, converted or combined goods relative to the other goods processed, converted or combined at the time of processing, conversion or combination.

c) Should the new object be sold, the Ordering Party shall herewith assign to the Supplier as security the Ordering Party's receivables from resale vis-à-vis the customer including all the ancillary rights without other special declarations having to be made. The assignment, however, shall only apply in the amount that the value of the reserved goods processed, converted or combined account for as invoiced by the Supplier. Priority must be given to satisfying the share the Supplier's receivables account for. As far as the collection authorisation as well as the conditions for revoking it are concerned, no. 3. c) shall apply accordingly.

d) Should the reserved goods be combined by the Ordering Party with real estate or movable property, the Ordering Party – without another declaration specifically having to be made – shall also assign to the Supplier as security its receivables that it is entitled to as remuneration for the combination including all the ancillary rights at the percentage of the value of the combined reserved goods relative to the other goods combined at the time of combination.

5. The Ordering Party must promptly notify the Supplier in case of attachment of property, distraint or other disposals of property or third-party encroachment.

6. If return delivery is taken or retention of title is asserted or execution is levied upon delivered objects, this shall not be interpreted as rescission of contract unless explicitly declared by the Supplier. After having threatened in advance to do so, the Supplier also has the right to realise the reserved goods return delivery of which was taken and pay itself off with the proceeds generated by offsetting the receivables outstanding against the proceeds.