

GENERAL BUSINESS TERMS

1. Preamble

- 1.1 These General Terms are valid subject to possible variation of these terms expressly agreed upon in writing by the parties to the contract. In particular contradictory oral agreements which have been reached by employees and/or representatives of Electro Optic GmbH with the client, are only valid in so far as they have been writing by Electro Optic GmbH.
- 1.2 If necessary where the purchase terms of the client vary these terms they are herewith rejected in so far as their validity has not been recognised in writing by Electro Optic GmbH. This even applies in the case where the customer has chosen for such contradiction in a particular form. If a contradiction is excluded from the purchase clauses of the customer then the varying terms of the purchase and sales terms will be replaced with the statutory provisions.

2. Payment

- 2.1 Payments are to be made in accordance with the agreed payment terms. In the absence of specific agreement payment is to be made to Electro Optic GmbH without any deduction.
- 2.2 The prices correspond to the respective amount ordered and are expressed in DM or Euro ex works, excluding any goods turnover and/or VAT and customs duties.

3. Reservation of Title

- 3.1 All deliveries take place under the all monies clause. Until the payment of all claims from the business relation with the client, including the redemption of given checks, the supplied goods remain property of Electro Optic GmbH. With current invoicing, the reserved property is to protect our claim for the balance.
- 3.2 Retention of title of the client for the goods subject to retention is not possible in accordance with paragraph 950 BGB (German Civil Code) in case of the processing the goods subject to retention to a new item. Any processing by the client does not dissolve Electro Optic GmbH's title. In case of processing by the client with other goods, which do not belong to Electro Optic GmbH, co-ownership of the new item in the ratio of the value of the goods, subject to retention, belongs to Electro Optic GmbH. For the new item, developing from the processing, the same is valid as with the goods subject to retention. It is considered as goods subject to retention in the sense of these conditions.
- 3.3 The client is entitled to the resale of the goods subject to retention, if and as far as this resale takes place in the normal course of business. To other orders (pledge as collateral, transfer by way of security, or the like) the client is not entitled to the resale of the goods.
- 3.4 The client's claim from the resale of the goods subject to retention is surrendered to Electro Optic GmbH. The client remains authorized to collect the claim from resale, despite the collection, up to revocation. He or she is not entitled to enact such claims by transfer, pledge as collateral, or the like. On demand, the client has to name the debtors of the ceded demands and to communicate the cessation to the debtors.
- 3.5 The retention of title is conditioned in the way that with our full payment the property is transferred to the client and the client is entitled to the goods subject to retention.
- 3.6 If the value of the collateral given exceeds Electro Optic GmbH's claims by more than 20%, then we are obligated, on demand of the client, to retransfer to that extent.
- 3.7 In the case that the client delays payment, then Electro Optic GmbH is entitled to claim the goods subject to retention back. This reclaim is not considered as cancellation of the contract. In case of default, Electro Optic GmbH is also entitled to reclaim goods subject to retention from previous contracts, if those goods subject to retention are no longer in the possession of the client. Also this reclaim remains without influence on the expiration of the existing contractual relation.

4. Payment delay by the customer

- 4.1 In the case of payment delay interest will be applied in DM or Euro in the amount agreed by contract, in the absence of such agreement, in the amount of 6% per annum.
- 4.2 In the case of payment delay by the customer, Electro Optic GmbH is entitled to insist on fulfillment of the contract plus interest for delay.

5. Machine standstill

Electro Optic GmbH is not liable for costs incurred by the customer on the grounds of a machine standstill caused by a product of Electro Optic GmbH.

6. Transfer and acceptance of risks

6.1 The risk is transferred to the customer not later than the point at which the parts to be delivered are dispatched - when the products leave the works - and indeed also following the partial delivery or when Electro Optic GmbH has taken on other services e.g. the forwarding costs. If the forwarding is carried out by a freight forwarder, then the risk will be transferred when the goods are handed over.

6.2 Even where delivered goods possess negligible defects they are to be accepted by the customer irrespective of the rights pertaining to liability for defects.

6.3 Part deliveries are permissible.

7. Warranty

7.1 To the exclusion of all other claims, Electro Optic GmbH is liable for the defects of the delivered products as follows:

Complaints concerning externally recognisable defects and defects which are detectable when subjected to a reasonable inspection of incoming goods, must be immediately recorded in sufficient detail in writing by the customer, otherwise he will lose all his rights under the warranty.

Complaints concerning other faults, which are only discovered when the delivered products are put to use, must be made immediately in sufficient detail in writing by the customer, but at the latest within 8 working days after receipt of the products, otherwise he will lose all his rights under the warranty.

7.2 Defective products will either be repaired or newly delivered within a reasonable time by Electro Optic GmbH and at the cost of Electro Optic GmbH. The right of the customer to validly make a claim regarding defects, is limited in all cases to 6 months from the date on which the timely complaint was made.

7.3 The guarantee given by Electro Optic GmbH does not apply to damage which occurs as a result of the following:

Unsuitable and inappropriate use, faulty assembly, or as the case may be, the putting into operation of such by the customer or by a third party, depreciation through usage, incorrect or negligent use, unsuitable working materials, substitute materials, chemicals, electro-chemical or electrical power.

7.4 In order to carry out repairs and replacement deliveries which appear necessary to Electro Optic GmbH, the customer must state the necessary time and opportunity subsequent to agreement with Electro Optic GmbH, otherwise Electro Optic GmbH is released from its liability or defects. Only in urgent cases where safety is endangered and in order to guard against excessively large damages, in which case Electro Optic GmbH must immediately be notified, or when Electro Optic GmbH is delayed in rectifying the defect, does the customer

have the right to rectify the defect himself or have it rectified by a third party and to demand the necessary recompense from Electro Optic GmbH.

7.5 Electro Optic GmbH is responsible for the direct costs of the repairs or of the replacement delivery - in so far as the notice of defect is held to be justified - the costs of the replacement item including the delivery thereof moreover, where this position in this particular case can be demanded reasonably, the costs of the necessary supply of a mechanic and technical assistance. The customer himself is responsible for the remaining costs.

7.6 The guarantee time limit of 8 working days also applies to replacement items delivered and to repairs. The limit for the liability for defects for the delivered objects is extended for the duration of the interruption of operations resulting from the rectification of defects.

7.7 Where changes have been made or repair work has been carried out which is either improper or without the prior agreement of Electro Optic GmbH then liability for the resulting consequences is terminated.

7.8 Complaints of defects concerning the punching ability of the products, which have been found to be in order by Electro Optic GmbH during the inspection of outgoing goods, are excluded.

7.9 Further claims by the customer, in particular a claim for replacement for damages which occurred to other objects, as a result of the supplied object itself, are excluded, apart from where they are a result of intent or gross negligence on the part of Electro Optic GmbH.

8. General limitation of liability

- 8.1 If a claim is made against the customer by a third party with regard to product liability, the customer will compensate Electro Optic GmbH for all damages.
- 8.2 Liability for consequential damage caused by a defect, in particular for personal injury, for damage to goods, which are not subject to the contract, for the interruption to operations or for a loss of profit, is excluded.
- 8.3 Liability is limited to the amount invoiced for the delivered goods.

9. Invalidity of individual clauses

These terms will remain in force even where one or more clauses are held to be invalid. In the case of invalidity of one or more clauses of these terms the parties to the contract will apply a valid rule which has virtually the same legal effect to replace the invalid rule.

10. Jurisdiction

The jurisdiction for all disputes arising from this contract is Ingolstadt, Germany. Electro Optic GmbH can take legal action against the customer in any competent court in any jurisdiction.