

**Terms and conditions of Sale of
ID Photonics GmbH
Anton-Bruckner-str. 6 – 85579 Neubiberg (Germany)**



I. Contract

1. Our quotations are subject to change without notice. A sales contract becomes effective only after our written order confirmation.
2. The contract or parts thereof are non-transferable without mutual consent.
3. The buyer acknowledges them as mandatory for him for the existing contract and also for all future business. Every dissenting agreement requires our written confirmation.
4. The buyer waives the right to claim his own terms and conditions of purchase. These do not become terms of the contract even if we remain silent or deliver.

II. Shipment and Lead Time

1. The delivery is based on our written order confirmation.
2. Documents being part of the quotation like pictures, drawings and weight specifications are not binding, unless we have explicitly denoted them as mandatory. We reserve the Copyright and title to all documents provided to us before or after conclusion of the contract; they may only be made accessible to third parties with our explicit consent. All such drawings and documents have to be returned immediately and without further demand if the contract does not become effective or is cancelled.

III. Quotations and Delivery

1. Our quotations are subject to change without notice.
2. In case we are prevented from performing the contract in time by failure of supply, production or delivery with us or with our supplier, e.g. by shortages of energy, traffic congestion, strike, lockout, the delivery time extends adequately. The buyer can withdraw from the contract if he sets us a new appropriate deadline in writing after expiration of the extended deadline. The withdrawal must be in written form if we do not fulfill the contract within the additional respite.
3. In case it becomes impossible for us completely or in part to fulfill our contract for reasons mentioned in Par. 2, we will be released from our Obligation to deliver.
4. We will immediately notify the buyer of the obstruction pursuant to Par. 2 and the impossibility pursuant to Par. 3.
5. Compensation Claims of the buyer owing to delay or non-performance are ruled out unless we act by willful intent or gross negligence.
6. In case the buyer is behind the schedule with payment of an earlier delivery, we are entitled to withhold deliveries without being obligated to make up for a potential loss.
7. We are entitled to deliver and invoice partially.

IV. Prices

1. Our prices are calculated ex Neubiberg, Germany.
2. All taxes, duties, fees, import and export charges which incur after Start of delivery shall be paid by the purchaser.
3. The purchaser bears all transport costs from Neubiberg. If desired, transport insurances are contracted at the expense of the consignee.

V. Payment

1. Our invoices are payable within 30 days from date of invoice. We may also decide that a delivery is subject to the immediate settlement of the invoice.
2. For first orders we may ask for advance payment or COD. The same applies if the allowed credit line is exceeded.
3. If the deadline for payment is exceeded, we are entitled to charge overdue fines with the first reminder and, in addition to this, we may charge interest amounting to the bank interest incurred to us and to withhold further deliveries until receipt of payment.
4. Bills of exchange and checks are only accepted on account of payment under the terms of a special agreement and exempt from charges for us.
5. At payment transactions in foreign trade all costs and expenses are charged to the orderer.
6. If we find out after conclusion of the contract that credit rating of the orderer has changed, or if the terms of payment have not been observed and even if special payment targets were agreed, we are entitled to insist on immediate payment of all outstanding accounts, to withdraw from the contract completely or in part and/or to make delivery dependent on payment in advance and to claim possession of goods already delivered without prejudice to further claims for damages.
7. The assertion of a right of retention or the set-off of any counterclaims is excluded unless we have admitted the claims of the orderer in writing or the claims of the orderer have been established as final and absolute.

VI. Cancellation

1. A cancellation of the contract by the orderer is basically impossible.
2. In case we have however accepted the cancellation by a written Statement, following debts become due for immediate payment: 30% until 60 days before scheduled delivery date, 50% until 30 days, 70% within 20 days before scheduled delivery.

VII. Packing and Shipment

1. Goods are packed in accordance with professional Standards customary in trade. Special packing, inner packaging, packing in cases and alternative packing e.g. for repair equipment which was delivered unpacked, shall be charged at net cost price and are not taken back. Fees for rental Containers (so-called collicos) and German Federal Railway Containers shall be charged separately.
2. As far as the buyer explicitly requires a special mode of shipment, we reserve the right to charge the additional costs which may probably incur.

VIII. Passage of Risk

The risk passes to the buyer once the goods leave our warehouse. All shipments, including possible return shipments, travel at buyer's risk. We are entitled but not obligated to cover transport insurance by order and on account of the buyer.

IX. Acceptance

The orderer is obligated to accept all deliveries and partial deliveries without delay. The acceptance has to be confirmed in writing. If the orderer does not accept a delivery, he is in default without reminder and fixing a deadline and is obligated to make up for every loss or damage.

X. Warranty

1. Warranty period is 12 months after date of invoice.
2. Our warranties comply with the regulations hereafter. Further regulations require a special written agreement.
3. We warrant our products against mechanical defects and failure in workmanship. Furthermore, we guarantee the proper installation of our products if this is carried out by ourselves. The warranty does not apply to defects resulting from wear and tear, improper installation, from use or operation or rework, maintenance or modification not authorized by us explicitly. For products we received from third parties, our liability is limited to the assignment of claims which we have against the supplier of the products.
4. Products or parts thereof which show defects or failure at the passage of risk for which we have accepted warranty according to section X.3 shall be repaired free of charge at our Option or shall be delivered again as far as the orderer advised the defects in writing immediately after their detection; beyond that warranty, especially cancellation or abatement, can only be claimed if reworks or replacement deliveries have failed. Claims for damages are ruled out. Rework shall be deemed to have failed if we have not remedied the approved deficiency within a reasonable period of time and if the orderer has unsuccessfully set us a new appropriate deadline of one month. Warranty claims of the orderer expire if the defective part is not returned to us immediately upon request.
5. We may refuse acceptance of products returned to us if we have not been informed about the reason of the return delivery and if we have not been given the opportunity to verify the asserted defect or damage. We remedy the approved defects free of charge at our Option either with us or in the Company of the orderer. All other costs relating to rework or replacement delivery - like transport insurance or packing costs - are charged to the orderer. Warranty is not extended by maintenance, rework or replacement deliveries.
6. All warranties claims expire after the agreed period, calculated from the moment the risk passed. Warranty claims for replacement parts expire three months after dispatch or installation by us.
7. Further or other than the aforesaid claims of the orderer, irrespective of legal basis, in particular for compensation of indirect or direct damages as well as of assembly and disassembly costs are ruled out. We are not liable for negligence of our subcontractors or vicarious agents.
8. In case we install a product, we are liable for damages to property and persons only due to willful intent or gross negligence. We are liable for financial loss only due to willful intent.

XI. Maintenance

1. No responsibility is taken for maintenance if a failure report is not available.
2. If maintenance was carried out insufficiently, obvious defects have to be objected within two weeks from receipt of goods at the latest. Unobvious defects have to be asserted within six months.

XII. Claims

Claims of the buyer against the orderer against us - irrespective of legal basis - are ruled out except we are liable for loss or damage caused by willful intent or gross negligence.

XIII. Patents, Export Regulations

1. If a third party asserts the infringement of industrial property rights against the orderer or if an orderer does the same himself regarding the delivered products, the orderer is obligated to notify us forthwith. It is for us to decide, if necessary with the support of the orderer, but at our own expense, to conduct all negotiations about a settlement or a resulting legal action. We do not assume liability arising from patent infringements.
2. In case the delivered products have been built according to designs or instructions of the orderer, the orderer has to exempt us from all claims, liabilities, charges and costs which are claimed by third parties as a result of infringement of patents, trademarks or Utility models. Possible legal expenses have to be advanced adequately to us.
3. If products delivered by us shall be exported, the orderer has to observe the applicable legal regulations when exporting, when re-exporting goods of US American origin also the corresponding US regulations.

XIV. Reservation of Proprietary Rights

The delivered products remain our property until all our outstanding accounts against the orderer are settled. The orderer is obligated to store the products owned by us with due diligence of a prudent businessman and to insure them adequately. The orderer is entitled to process and sell the products during common commercial business transactions, but not to pledge and assign them as security. Possible processing shall be done for us without Obligation on our part. A possible resale of the products has to be carried out under reservation of proprietary rights until the last customer has paid, and the orderer assigns his purchase price claim to us by now for the full amount by way of security; on request the orderer has to confirm us the assignment in writing. The orderer is authorized to collect the debt subrogated to us, but not to other provisions about this claim. This authorization may be cancelled at any time. The orderer has to report immediately every enforcement measure in rights owned by us. The orderer has to bear the intervention costs. If the value of the securities given to us exceeds our claims against the orderer by more than 20 %, we are obligated to reassign them at orderer's request.

XV. Place of Jurisdiction

Place of Jurisdiction for all disputes arising in connection with the contractual relationship - also due to withdrawal - is Munich. This agreement shall be governed exclusively by the laws of the Federal Republic of Germany.