

GENERAL TERMS OF PURCHASE OF LO-CAT SYSTEMS GMBH

ART. 1 GENERAL INFORMATION, SCOPE

1. These General Terms of Purchase (GTP) are applicable to all our business relations with our suppliers (hereinafter the "Supplier"). The GTP apply only if the Supplier is an entrepreneur within the meaning of article 14 of the German Civil Code or a legal entity or special fund under public law.
2. These GTP shall apply, in particular, to contracts for the sale and/or delivery of movables ("Goods"), irrespective of whether our Supplier itself makes the Goods or buys them from its own suppliers (articles 433 and 651 of the German Civil Code). The GTP, in their most recent version, shall also be applicable as a framework agreement for future contracts for the sale and/or delivery of Goods with the same Supplier, with no need for us to make any reference hereto in each individual case.
3. Our GTP alone are applicable. Any of the Supplier's general terms of business that differ from, contradict or supplement these GTP shall be incorporated into the contract only if and insofar as we expressly consent to the applicability thereof. This requirement of consent shall apply in every case, including, for example, in cases in which we are aware of the Supplier's general terms of business and confirm an order or take receipt of a delivery without expressing any reservations.
4. Notwithstanding the foregoing, individual agreements entered into with the Supplier (including collateral agreements, supplements and amendments) shall supersede these GTP in every case, with the proviso that a written contract or our written confirmation shall be decisive for the contents of such agreements.
5. All legally relevant declarations and announcements that are to be made to us by the Supplier after formation of the contract (e.g., setting of time limits, letters of reminder, declaration of rescission or reduced payment) shall not be deemed effective unless formulated in writing.
6. References to the applicability of statutory provisions are given for the sake of clarification only. The statutory provisions would be applicable even without such clarification, unless directly modified or expressly waived in these GTP.

ART. 2 ORDERING

1. Our orders shall not be considered binding until issued in writing or confirmed.
2. The Supplier shall confirm orders within the time limit stipulated in the order or accept orders unconditionally by sending the Goods. Any late or divergent confirmation of the Supplier shall be deemed a rejection of our order and constitute a new offer that requires separate written acceptance by us.
3. The order expressly includes the documents mentioned therein, particularly attestations and certificates, which shall be delivered to us at no extra charge, in advance, if so requested, or at the latest at the time of receipt of the Goods.

ART. 3 DELIVERY, DATES, CONTRACT PENALTY, SHIPPING

1. The time limits or dates for delivery mentioned in the order shall be binding and refer to arrival at the place of performance. The Supplier shall promptly inform us of any changes in the dates, in which case said dates shall not be considered binding unless confirmed by us in writing.
2. The Supplier shall be in default in delivery if the Goods are not received by us on the due date. In the event of default in delivery, we reserve the right to demand performance of the contract, to rescind the contract or to demand compensation for breach of contract. If the Goods are urgently needed, we are entitled to cover our needs by buying them from another supplier, in which case we will bill the Supplier for the difference if obliged to pay a higher price, in addition to the compensation for damages. In all other respects, default in delivery shall be regulated by the applicable statutory provisions.
3. If the Supplier is in default, we are entitled to charge a contract penalty in the amount of 1 % of the net price per completed calendar week of delay, not to exceed 5 % of the net price of the Goods delivered late. We are entitled to demand the contract penalty along with performance of the contract. The Supplier is allowed the defense of proving that we actually suffered no loss at all or only a lesser amount. The foregoing is without prejudice to further damage claims beyond the contract penalty. Our right to charge the contract penalty is not forfeited if we fail to expressly assert said right at the time of acceptance of the delivery. If we accept the late performance, however, we are required to assert our right to the contract penalty by no later than the time

of the final payment.

4. Partial deliveries are not permitted without our express written consent. We are entitled to refuse to accept Goods that are not delivered completely on the delivery date stated in the order and to return them to the Supplier or store them on the premises of third parties at the Supplier's risk and expense; any resulting costs shall be borne by the Supplier.
5. The Supplier shall, if so requested, follow our forwarding instructions. Our order numbers and product numbers shall be mentioned in all shipping papers, correspondence and invoices. We reserve the right to reject Goods with accompanying documents that are incomplete or fail to meet the statutory requirements.
6. The Supplier shall bear the costs of transport, including packaging, insurance and all other incidental expenses, unless expressly agreed otherwise.

ART. 4 QUALITY AND ACCEPTANCE

1. The Supplier hereby warrants that the Goods will fully comply with the quality requirements defined in advance, with the prototypes submitted to us for analysis and, in particular, with our own specifications in each case. The Goods must satisfy the applicable standards and the state of the art.
2. Our obligation to inspect the Goods during our incoming goods inspection is limited to defects that can be detected by external examination, including the delivery papers and our own quality control in sampling procedures (e.g., damage during transport, improper deliveries or short delivery). If an acceptance procedure is agreed to, then we are under no obligation to inspect the Goods. In all other respects, the decisive factor is the extent to which examination is feasible in the ordinary course of business in light of the circumstances of the individual case. The foregoing is without prejudice to our obligation to give notice of defects detected later. In any case, a complaint (notice of defect) shall be deemed prompt and timely if received by the Supplier within 5 working days.
3. The values determined during our incoming goods inspection shall be authoritative with respect to the size, weight and number of units in the delivery.
4. During the warranty period, where applicable, the Supplier hereby waives the defense of late notice with respect to concealed defects.

ART. 5 PRICES AND TERMS OF PAYMENT

1. The agreed prices are maximum prices; we are entitled to benefit from any price reductions that occur in the period between the order and payment of invoice.
2. Payment is conditional upon proper delivery and correct prices and calculations. If we discover a defect covered by warranty, we are entitled to withhold payment until the warranty obligations have been fulfilled, without prejudice to our further rights to offsetting and retention.
3. Unless expressly agreed otherwise, invoices are payable within 30 days with a 2 % discount or within 60 days strictly net.

ART. 6 OFFSETTING AND ASSIGNMENT

1. The Supplier is entitled to set off only such claims as are undisputed or established by final court judgment. Assertion of any right of retention on the grounds of counter-claims that are disputed or not established by final court judgment is hereby excluded, insofar as said claims are not based on the same contractual relationship.
2. It is not permissible to assign any claims against us without our written consent.

ART. 7 WARRANTY, RECOURSE AGAINST THE SUPPLIER, PRODUCT LIABILITY, LIMITATION PERIOD

1. The Supplier's warranty obligations shall be determined by the applicable statutory provisions, save as stipulated otherwise below. The Supplier shall indemnify us on first demand for all claims asserted against us by third parties on the grounds of defects, infringement of third-party intellectual property rights or product damage in the Supplier's delivery, based on the share of the damage caused by the Supplier. The Supplier hereby warrants that it has appropriate product liability insurance and shall supply us with proof of such coverage on demand.
2. In the case of improper delivery, the Supplier shall, at our option, either provide a

free replacement, or reduce the price in accordance with the statutory provisions governing price reductions, or else eliminate the defect free of charge. In cases of emergency, we are entitled to eliminate the defect ourselves. In that case, we shall also be entitled to hire a third party to eliminate the defect or procure a replacement from another supplier. The foregoing rule shall also apply if the Supplier defaults on its warranty obligations.

3. The Supplier shall be liable for repair and replacement to the same extent as for the original item delivered, that is to say, including, but not limited to, for all costs of freight, travel and labor. The warranty period for replacements shall commence on the date of arrival of the replacement, at the earliest.
4. The Supplier agrees to reimburse us for any reasonable costs incurred by reason of a product recall action based on product liability law.
5. We shall be entitled without limitation to the rights of recourse within the supply chain (recourse against the supplier as defined by articles 478 and 479 of the German Civil Code) along with our claims based on defects. In particular, we are entitled to demand that the Supplier provide exactly the same type of remedial performance (repair or replacement) as our customer is entitled to demand from us in the specific case, without limiting our statutory option under article 439 [1] of the German Civil Code.
6. Before we acknowledge or satisfy one of our customer's claims based on a defect (including reimbursement of expenses in accordance with article 478 [3] and article 439 [2] of the German Civil Code), we shall inform the Supplier, briefly describe the situation and request a written opinion. If we do not receive said written opinion within a reasonable time and no solution is agreed to by mutual consent, then the claim based on a defect that is actually granted by us shall be deemed to be owed to the customer; the burden of proof of the contrary is on the Supplier.
7. We shall retain all rights of recourse against the Supplier even if the Goods were processed further by us or by our customer prior to sale.
8. The limitation period on all claims arising out the contract shall be determined by the relevant statutory provisions. The limitation period on our claims based on a certain defect shall be suspended from the time of our written notice of the defect until the time of elimination of the defect. Said suspension shall end, however, three months after receipt of the Supplier's written declaration that the defect has been eliminated or that no defect exists.

ART. 8 KNOW-HOW, INFORMATION AND DATA, THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS

1. The designs, samples, construction drawings, production instructions, internal company data, tools, installations and so on that we make available to the Supplier in the course of the contract negotiations, for submission of a quotation or performance of a contract shall remain our property. The items enumerated above must not be used for any other purposes, duplicated or made accessible to third parties, and must be held in safekeeping with the due care and diligence of a prudent businessperson.
2. The Supplier hereby agrees to maintain secrecy for an unlimited period concerning all information that is designated as confidential or recognizable as a business or trade secret based on the circumstances and that is made accessible to the Supplier in connection with the business relationship or the relevant individual contract; the Supplier further agrees to record or make any other use of such information only to the extent necessary to achieve the purpose of the contract. We reserve all property rights, copyrights and other industrial intellectual property rights to documents, prototypes, construction drawings, samples and illustrations. You agree to refrain from making any other use thereof, particularly by copying and/or making same available to third parties, without our prior written consent.
3. The Supplier hereby warrants that use of the Goods in accordance with the regulations will not infringe the rights of third parties, especially third-party intellectual property rights. If we are nevertheless sued for a possible infringement of third-party rights, such as copyrights, patent rights or other intellectual property rights, the Supplier agrees to indemnify us for such claims and all payments made in connection therewith, as well as all reasonable costs of legal defense.

ART. 9 MATERIALS PROVIDED BY US

1. The Supplier hereby acknowledges that any materials provided by us or by our customers, particularly equipment, models, devices, documents, information, and so on shall be used exclusively for the purpose of performing the relevant contract.
2. In the event that such materials are provided, the Supplier shall promptly inspect the suitability and quality thereof. The costs of any necessary adjustments shall be borne by the Supplier.
3. In any case, all the materials thus provided shall remain the property of us or of our customer who provided the materials, as the case may be. The Supplier shall ensure that property rights are not infringed by any third-party rights and shall give due notice of property rights to third parties (e.g., by attaching signs to that effect, etc.). If the materials provided by us are remodeled or changed, we or our customer, as the case may be, shall retain the ownership thereof. If said materials are inseparably incorporated into or combined with other components or (partial) products, we or our customer, as the case may be, shall acquire property rights in the resulting product in proportion to our contribution. In the last-mentioned cases, we shall be considered to be the manufacturer with respect to ownership.
4. The risk of accidental destruction or damage to the materials provided shall pass to the Supplier upon receipt. Thereafter, the Supplier shall be responsible for proper storage, maintenance and proper handling thereof, without being held accountable for normal wear and tear.
5. Any taxes, customs duties, charges or other expenses incurred by the Supplier or by the Supplier's own suppliers in connection with the possession and/or use of the materials provided shall be borne by the Supplier. The Supplier is also responsible for ensuring compliance with the laws and official regulations of government agencies in that respect.
6. Unless expressly agreed otherwise in a specific case, the materials provided shall be promptly and properly packed and returned to us at the Supplier's own expense as soon as they have served their purpose, at the latest upon cessation of the relevant contract (including cases of termination, rescission, etc.). In that case, the risk shall pass to us upon arrival of the materials on our premises.

ART. 10 DATA PROTECTION

Any personal data collected shall be used for the sole purpose of performing the relevant contract in compliance with the relevant data protection laws. The Supplier hereby revocably consents to the foregoing.

ART. 11 CHOICE OF LAW AND PLACE OF JURISDICTION, SEVERABILITY CLAUSE

1. These GTP and all legal relationships between us and the Supplier shall be subject to the laws of the Federal Republic of Germany, to the exclusion of all international and supranational (contract-related) legal systems, particularly UN commercial law.
2. If the Supplier is an entrepreneur within the meaning of the German Commercial Code or a legal entity or special fund under public law, then all disputes (including international disputes) arising directly or indirectly out of this contract shall be referred exclusively to the courts having jurisdiction over our registered head office in Weil am Rhein. Notwithstanding the foregoing, we are entitled to initiate proceedings in the courts having general jurisdiction over the Supplier's domicile.
3. If any provision of these GTP is or becomes inoperative or null and void, the remaining provisions shall remain in full force and effect.