

IDS Imaging Development Systems GmbH General Terms of Delivery

for use in commercial transactions

I. General

1. All deliveries and services provided by IDS Imaging Development Systems GmbH (referred to as IDS for short) are based solely on these general terms. IDS shall be bound by the customer's general terms – including those that differ from and supplement the IDS terms – only if they have been acknowledged expressly and in writing by IDS. The customer's general terms will also not become part of the contract by virtue of acceptance or completion of an order.
2. These terms will also apply for all future deliveries and services by IDS even if no subsequent reference is made to them. The customer's general terms shall not be applicable, even if IDS does not expressly contradict them at a later time.
3. Amendments and additions to the contract and to technical specifications can only be made by a managing director of IDS. Verbal assurances by IDS employees will only be binding if they are confirmed by a managing director of IDS.
4. IDS reserves all rights of ownership, copyrights and other protective rights to cost estimates, files, patterns, plans, drawings, programs, models (technical) documentation and specifications, and all similar tangible or intangible information – including in electronic form. Neither the originals nor copies may be handed over or otherwise made available to third parties.

II. Price and payment

1. Unless otherwise agreed, prices are understood to be ex works including loading at the factory, but not including packaging. Sales tax at the respective statutory rate must be added to the prices.
2. Invoices for deliveries must be paid without deduction to the account indicated by IDS within 30 days from the invoice date.
3. Invoices for services must be paid immediately and without deduction to the account indicated.
4. The customer has the right to withhold payments or to set off against counterclaims only to the extent that such counterclaims are undisputed or have been upheld by the law.
5. If the agreed delivery date is more than four months after the date on which the contract is signed and demonstrable price rises in the intervening period have increased the actual costs of IDS by more than 5%, IDS is entitled to request a correspondingly adjusted price, not exceeding 15% higher than the agreed price. If the actual costs decrease, the customer is entitled to request a corresponding reduction in the price.
6. Invoices for services provided are due for payment immediately and without deduction.
7. Bills of exchange will only be accepted on the basis of a special agreement. Checks and bills of exchange will only be accepted in lieu of pay-

ment. Discount charges and bank fees will be borne by the drawer. Payments will be considered to have been made when the account of IDS has been credited without reserve. If the buyer has issued several bills of exchange and if a bill of exchange is not paid on the due date, all other bills of exchange immediately become due for payment.

III. Offer, delivery time, delivery delay

1. Offers by IDS are non-binding. IDS can accept the customer's orders within two weeks.
2. Agreed delivery periods begin on the date of final commercial and technical resolution of the order. An order is considered to be resolved when all of the details necessary for ensuring that the delivery can proceed smoothly have been definitively clarified.
3. Moreover, agreed delivery periods do not start until all documentation and information, approvals and releases to be obtained by the customer have been received, and agreed prepayments and/or letters of credit have been confirmed.
4. Agreed delivery lead periods are calculated with effect from the date of confirmation of the order.
5. Delivery is only deemed to have been made within the delivery period if self-delivery is carried out correctly and punctually, unless IDS is responsible for incorrect, delayed or missed self-delivery.

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6. Delivery periods for which the start date is postponed will be extended at the same time by a reasonable restart period.
 7. Work stoppages and other disruptions to business operations due to force majeure, fire damage, flooding or other natural disasters, strikes and similar unforeseeable events, shall cause the deadline for delivery by IDS to be suspended for the period of the disruption, unless such disruptions are attributable to IDS. Thereafter, IDS will be granted a reasonable restart period. IDS will inform the customer as soon as possible of the length of said restart period. Other rights to which IDS is entitled in the event of work stoppages or force majeure shall remain unaffected. In such cases, the customer is entitled to withdraw from the contract if it sends a written reminder regarding the delivery and IDS does not make delivery to the customer within a reasonable grace period, which is to be set.
- IV. Delivery, transfer of risk and customer's cooperation duties**
1. Unless otherwise agreed, risk is transferred to the first transportation company with the handover of the delivered goods. If an agreement has been reached regarding shipping, unless otherwise agreed such shipping is performed at the customer's cost and risk.
 2. If transportation is carried out by employees of IDS, risk is transferred as soon as the transportation leaves the IDS factory premises. The liability of IDS for such transportation is governed by the provisions of section VI.
 3. The customer must check that the delivered goods are in the contractually agreed condition immediately and appropriately.
 4. If an obligation to provide has been agreed, the customer must check the delivered goods for damage as soon as it is received. If, after unpacking, the customer discovers that the delivered goods have been damaged, it must make a complaint to the shipping company and ensure that the facts of the matter are recorded. The situation must be reported even if the packaging was not damaged and the damage was only discovered after unpacking. In the event of damage, the customer is obliged to send the damage report and the available shipping documents to IDS. A replacement will be sent to the customer as soon as IDS is in receipt of these documents. The customer will incur no costs of any kind.
 5. Partial deliveries are permissible provided they are acceptable to the orderer.
 6. If the goods are to be shipped abroad, the buyer is responsible for ensuring compliance with all export regulations – particularly for obtaining export permits. IDS will assist the buyer in this. If the export regulations are not complied with, IDS is entitled to withdraw from the contract.
 7. If the delivery includes goods for which IDS must obtain an export permit, the contract will not be deemed binding until the respective permit is received. The orderer undertakes to provide all documentation that is necessary for obtaining the permit.
 8. The orderer is obligated to provide proof of usage and/or end user certificates if requested by IDS even if such are not required for official purposes.
 9. If goods delivered by IDS are exported by the buyer, the buyer is also responsible for ensuring compliance with all laws, regulations and protective rights at the destination location.
- V. Retention of title**
- IDS will not deliver except on the basis of retention of title as described in greater detail hereafter:
1. IDS shall retain title to the delivered goods until the full purchase price therefor has been paid.
 2. The customer is obliged to treat the reserved goods with care. In particular, the customer is obliged to insure the reserved goods against theft, breakage, fire and water damage for an amount sufficient to cover the replacement value thereof.
 3. If the customer fails to comply with the terms of the contract, particularly if it defaults on payment, IDS is entitled to recover the delivered goods after issuing a dunning notice,

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- and the orderer is obliged to release them.
4. The customer is not permitted to mortgage or pledge the delivered goods as collateral if and for as long as the right of retention subsists.
 5. Until ownership is transferred, the customer must inform IDS immediately in writing if the delivered goods are the subject of distraint. This duty to inform also applies if the reserved goods are exposed to other interventions by third parties. If the third party is unable to reimburse IDS for the legal and extrajudicial costs of a lawsuit according to § 771 of the German Code of Civil Procedure, the customer shall be liable for the shortfall suffered by IDS.
 6. The customer is entitled to resell the reserved goods in a normal business transaction. The customer assigns to IDS all receivables from the purchaser in connection with the resale of the reserved goods as of now. Such assignment shall apply regardless of whether the purchased item has been resold before or after adaptation or modification.
 7. The customer is entitled to adapt and modify the reserved goods and to resell the new item in a normal business transaction. Any and all adaptations and modifications or reconfiguring of the reserved goods by the customer will be carried out in the name and for the account of IDS. In this case, the customer's expectant right to the purchased item will persist in respect of the reconfigured item.
 8. If the purchased item is modified together with other items that do not belong to IDS, IDS will acquire joint ownership of the new item in proportion to the objective value of the purchased item relative to the other adapted items at the time of modification. If the seller acquires ownership or proportional joint ownership in the new item, IDS will transfer its ownership or proportional joint ownership in the new item to the customer under the condition precedent of full payment of the purchase price. IDS agrees to this transfer now.
 9. If the reserved goods are connected or mixed with other items belonging to the customer and if the customer's items are considered the main item, the customer will assign a proportional joint ownership in the main item corresponding to the value of the reserved goods to IDS under the condition subsequent of full payment of the purchase price.
 10. If the customer sells the new item or the item that has been created by connecting or mixing, the customer assigns the receivable due to it from the purchaser of such item to IDS now, in order to guarantee the purchase price claim. In the event that IDS has acquired a proportional joint ownership in these items, the customer assigns the receivables to IDS in a proportion corresponding to the value of the joint ownership share. IDS agrees to this assignment now.
 11. IDS authorizes the customer to collect the receivables assigned to IDS in its own name and for the account of IDS. If the customer does not fulfill its payment obligations in good order, IDS is entitled to revoke the direct debit authorization and collect the receivables itself. If IDS revokes the direct debit authorization, the customer is obliged to notify the debtors of the change in responsibilities.
 12. The right of retention also extends to the other receivables due to IDS from the customer at the time the contract is signed.
 13. IDS undertakes to release the collateral to which it has claim at the customer's request if the value thereof exceeds the value of the receivables to be guaranteed by more than 10%.

VI. Warranty for material defects/ liability

1. If the material defects that would be evident upon proper inspection of the delivered goods (as defined in IV. point 3) are not reported to IDS within 14 calendar days after delivery, the goods are deemed to have been accepted.
2. In the event of material defects, IDS may choose either to rectify the defect or redeliver perfect goods, at no charge in either case.
3. Replaced goods become the property of IDS and must be returned to IDS.
4. If the customer withdraws from the contract to buy for good reason because of material

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defects, or if it lowers the purchase price for good reason because of material defects, its entitlement to restitution of the purchase price shall be time-barred two years after the delivery date.

5. IDS shall only be liable for breaches of duty in cases of
 - a. willful intent,
 - b. gross negligence on the part of IDS, its institutions or leading employees,
 - c. culpable injury to life, limb and health,
 - d. claims under the terms of the German Product Liability Act (ProdHaftG),
 - e. defects that IDS has fraudulently concealed or which IDS has guaranteed not to exist, and
 - f. if the breaches relate to essential contractual obligations as defined in VI. point 8.
6. In the case of damage to property and material losses due to negligence, liability is limited to the losses that are foreseeable and typical for the contract at the time of signing.
7. All other claims are excluded.
8. An essential contractual obligation as for the purposes of VI point 5 f) is one that:
 - a. must be fulfilled in order for the contract to be executed in good order, and which the contracting partners can and do normally expect to be fulfilled, or
 - b. causes such substantial disadvantage to the other party if it is not fulfilled that said party is essentially

unable to achieve the purpose it might expect from the contract, unless the party in breach has not foreseen such a consequence, and a reasonable person of the same kind would also not have foreseen this consequence under the same circumstances.

9. Information in catalogs, general product information or in advertising material only constitutes a material defect if such is referred to explicitly in the contract.
10. Information in catalogs, product descriptions datasheets, bids, drawings or other documents regarding size, quantity, color, use, technical characteristics and other properties, particularly about availability, scanning rates, measuring accuracies, contains statements about the condition of a delivered good, but – unless expressly agreed otherwise – does not constitute a guarantee thereof (neither with regard to condition nor durability).

VII. Defects of title

1. To the best of our knowledge and belief, delivery is made in the country of the delivery location unencumbered by commercial protection rights or copyrights of third parties (referred to in the following as "protective rights"). If a third party files a valid claim against the orderer for infringement of protective rights by goods delivered by us and used in accordance with the contract, IDS shall be

liable to the orderer as follows:

- At its discretion, IDS will either obtain right of use for the delivery in question at its own cost, or it will modify the goods in such manner that the protective rights are no longer infringed, or it will replace the delivery with goods that are not deficient. If IDS is unable to take any of these steps under reasonable conditions, the orderer shall be entitled to the statutory rights of rescission or reduction. The obligation to pay compensatory damages is governed by the pertinent law and with the liability limits set forth in Clause VII.
2. The obligations of the supplier stated in Section VII.1. are exhaustive in the case of infringement of protective rights or copyrights. They take effect only if
 - a. the orderer informs IDS immediately about the claims regarding infringement of protective rights or copyrights filed by third parties,
 - b. the orderer lends IDS reasonable assistance in defending against filed claims, and IDS enables the performance of modification measures,
 - c. IDS reserves the right to take all defensive steps, including making extrajudicial settlements,
 - d. the defect of title has not arisen as a result of an instruction by the customer,
 - e. the defect of title has not arisen as a result of other information that the

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customer made available
to IDS,

- f. the rights infringement did not arise as a result of the customer altering the delivered goods in an unauthorized manner or using them in a manner inconsistent with the contract.

VIII. Applicable law, legal venue, severability clause

1. All legal relations between IDS and the customer are governed solely by the law of the Federal Republic of Germany, to the exclusion of the UN Convention on the International Sale of Goods.
2. The sole legal venue for all disputes arising directly or indirectly from this contractual relationship is Heilbronn if the customer is a commercial entity. However, IDS is also entitled to bring an action in the customer's home district.
3. If individual provisions of this contract conflict entirely or in part with compelling law or for any other reason be invalid or ineffective, the validity of the remaining provisions shall be unaffected thereby.