



GENERAL CONDITIONS OF SALE

1. APPLICATION

These General Conditions of Sale ("GCS") govern the sale of goods by Paul Hoess KG (the "Supplier"). They apply to all quotations and confirmations of orders to the exclusion of any other standard terms. Any order placed by the Buyer constitutes an offer by Buyer to purchase goods in accordance with these GCS (the "Goods") and shall only be deemed accepted when confirmed in writing by the Supplier, at which point a contract comes into existence (the "Contract").

2. VALIDITY OF QUOTATIONS

Unless previously withdrawn, Supplier's quotation is only valid for the period stated therein or when no period is stated for one three only from the date of its issue.

3. DOCUMENTATION

Information in relation to Supplier's products and their operation remains Supplier's exclusive property along with all intellectual property rights and copyright attached and may not be used, copied, reproduced, transmitted or communicated to third parties without Supplier's written consent. Description of Supplier's products and technical information included in commercial documents such as catalogues, leaflets, brochures, advertisements are only indicative and not binding upon Supplier.

4. RE-EXPORTATION

Some of the Goods may be subject to re-export regulations according to German or foreign laws. Buyer will have to comply with such regulations.

5. DELIVERY

Delivery shall be made in accordance with the INCOTERMS on the face of the order confirmation. The Supplier's delivery dates are purely indicative unless otherwise agreed by in writing by the Supplier in the order confirmation; where a letter of credit has been asked for, delivery schedules may only be binding from the date of the bank's advice that it has been opened in conformity with Supplier's requirements. Supplier reserves the right to dispatch the Goods in consignments as and when they are ready for dispatch. In the event of the occurrence of Force Majeure, Supplier is entitled to suspend delivery of the Goods for the duration of the delay caused by such Force Majeure, without being held responsible for any damage resulting therefrom to the Buyer. In that case the times given for dispatch shall be extended for the period of delay caused by such Force Majeure. In the event of the period of delay caused by Force Majeure having lasted for a period exceeding six consecutive months, then and in that case Buyer shall be entitled to cancel the order to the extent not yet executed without being liable to any indemnity whatsoever towards Supplier. The expression "Force Majeure" includes any event beyond Supplier's reasonable control whether or not foreseeable at the time of the order confirmation, as a consequence of which Supplier cannot reasonably be required to execute its obligations. Such circumstances include but are not restricted to acts of God, war, civil war, insurrection, fires, floods, strikes, epidemics, governmental regulations, freight embargoes, non-availability of any permits, licenses and/or authorizations required defaults of our suppliers or subcontractors.

6. DISPATCH COMPLAINTS

Any complaints or erroneous dispatch and/or apparent damage shall be made in writing within thirty (30) days after receipt of the Goods by the Buyer and if return of the goods is agreed upon they shall be returned in accordance with Supplier's instructions and preceded by an advice note, giving the reason for return and the date and number of related invoice; all Goods returned must be properly insured by Buyer, packed in their original packaging, with prepaid carriage.

7. ACCEPTANCE TESTS

Goods are carefully inspected by Supplier and where practicable submitted to standards tests at the factories before dispatch. If special tests or tests in the presence of the Buyer or his representative are required, these must be specified by the Buyer when giving the order and shall, unless otherwise agreed, be made before dispatch. All costs connected with such tests will be charged extra. In the event of any delay on the part of the Buyer in attending such tests after thirty days' notice that the Goods are ready to be tested, the tests will proceed in the Buyer's absence and shall be deemed to have been made in his presence.

8. PRICE

8.1 Prices quoted and not yet confirmed may be altered to those in force at the date of dispatch. Should the prices be increased in consequence thereof, then upon receipt of Seller's notification of such price increase the Buyer shall have the right to cancel the order in respect of the Goods which have not yet been dispatched. The accepted currency will be EUR only.

8.2 Costs for installation is subject of discussion.

8.3 Certificates of origin, consular documents or any additional special export document, if required, shall be charged at extra costs to the Buyer.

9. PAYMENT

Unless a letter of credit is requested or a special agreement has been made, payment is due at 30 days from the date of invoicing. Payment is to be made with a first class bank in the country where the currency quoted is issued as legal tender; such payment will constitute a valid discharge only in so far as an account payable by said bank on demand is credited in our favor, irrevocably and free of charge, in the currency quoted in freely convertible and transferable funds. Non-payment of any invoice shall be considered as a breach by the Buyer entitling the Supplier to suspend any further delivery, or terminate the order immediately without prejudice to any claim for damages. Interest shall be payable on any overdue amount without from the day following the payment date indicated on the invoice. The interest rate will be equal to the rate applied by the European Central Bank from time to time plus 10 points.

10. LETTERS OF CREDIT, BILLS OF EXCHANGE

Any letters of credit established in Supplier's favor shall be issued by first class banks which have adopted the Uniform Customs and Practice for Documentary Credits issued by the International Chamber of Commerce. Where payment is effected by means of a letter of credit, Supplier shall be entitled to draw on the Buyer for any due amount; bills of exchange so drawn shall not be construed as a substituted contract.

11. LIMITED WARRANTY AND DISCLAIMER

11.1 The Supplier warrants that under normal use in accordance with the applicable user manual the Goods, (excluding any software that is not embedded in Goods by the Supplier) shall, at the time of delivery to Buyer and for a period of twenty-four (24) months (CCD camera) / twelve (12) months (image intensifier, 3rd party product) from the date of delivery (or such other period as may be agreed upon in writing by the parties), be free from defects in material or workmanship and shall substantially conform to the Supplier's specifications for such Product, or such other specifications as the Supplier has agreed to in writing, as applicable. The Supplier's sole and exclusive obligation and Buyer's sole and exclusive right, with respect to claims under this warranty shall be limited, at the Supplier's option, either to the replacement or repair of a defective or non-conforming Product or to an appropriate credit for the purchase price thereof. The Supplier will have a reasonable time to repair, replace or credit. The non-conforming or defective Goods shall become the Supplier's property as soon as they have been replaced or credited. Repaired or replaced product shall be warranted for the remaining warranty period only.

11.2 Buyer may ship Goods returned under warranty to the Supplier's designated facility only in conformance with the Supplier's then-current return material authorization policy (ask for a RMA number). Where a warranty claim is justified, the Supplier will pay for freight expenses. Buyer shall pay for returned Products that are not found to be defective or non-conforming together with the freight, testing and handling costs associated therewith.

11.3 Notwithstanding the foregoing, the Supplier shall have no obligations under warranty if the alleged defect or non-conformance is found to have occurred as a result of environmental or stress testing, misuse, use other than as set forth in the user manual or according to standard rules of use for such Goods, neglect, improper installation or accident or as a result of improper repair, attempt to repair, alteration, modification, storage, transportation or improper handling.

11.4 The express warranty granted above shall extend directly to Buyer and not to Buyer's customers, agents or representatives and is in lieu of all other warranties, whether express or implied, including without limitation any implied warranties of fitness for a particular purpose, merchantability, or non-infringement of intellectual property rights. All other warranties are hereby specifically disclaimed by the Supplier to the extent authorized by law.

11.5 The foregoing states the entire liability of the Supplier in connection with defective or non-conforming Goods supplied hereunder.

12. LIABILITY

In no event shall Supplier be liable for any indirect, consequential, incidental or special damages, including lost profits or revenues arising out of or relating to any breach of Supplier's obligations set out in these GCS and related Contract, whether or not the possibility of such damages has been disclosed in advance by Buyer. The Supplier's aggregate and cumulative liability towards Buyer in connection with the order from any cause whatsoever shall not exceed an amount of ten percent (10%) of such order price.

13. INTELLECTUAL PROPERTY RIGHTS

Unless explicitly otherwise agreed, all designs, drawings, descriptions, models, calculations and the like remain in the property of the KG. All rights pertaining to the designs, drawings, descriptions, models and the like shall be respected.

14. GOVERNING LAW AND JURISDICTION

These GCS and related Contract shall be governed by the Laws of Germany, excluding the United Nations Convention on International Sales of Goods of April 11, 1980. All disputes arising between the parties in connection with these GCS and related Contract shall be submitted to the exclusive jurisdiction of the commercial court of Munich.

15. RETENTION OF TITLE

The Supplier reserves title in the Goods until full payment of the price. The risk in the Goods shall however be transferred to the Buyer upon delivery in accordance with the appropriate INCOTERMS.

16. CONFIDENTIALITY

The Buyer shall keep all information received from the Supplier (hereinafter the "Information") in strict confidence and shall not disclose, without Supplier's prior written consent, any part of the Information to any person other than those of its employees, officers, advisers or third party contractors who have a need to know for the purpose of performing its obligations under the Contract. Such commitment shall remain valid for a period of three (3) years from the date of issue of the quotation and in case an order is placed by Buyer and a Contract entered into by the parties, during the performance of such Contract and for a period of three (3) years from the expiration date of such Contract.