

General Terms and Conditions

1. Object of Contract

STAPELFELDT electronic GmbH develops LED and laser collimators as well as opto-sensors for its clients based on client specifications. If there are no precise specifications and the goal is solving a particular problem in measurement, STAPELFELDT electronic GmbH develops a proposed solution. The solution is generally achieved through development of a sensor especially designed for the customer. The sensor design is communicated to the customer in writing. The sensors developed can then be purchased from STAPELFELDT electronic GmbH at a stated series price.

2. Process

Prior to serial production, STAPELFELDT electronic GmbH manufactures a release sample for testing by the customer. If no other agreement is reached, the entire costs of development plus the legally mandated VAT to the date of delivery the service will be paid by the customer once the release sample is delivered. In this phase modifications can still be introduced in writing by the customer. If these changes lead to a development of a new item, the additional expenses will be billed separately to the customer. The release or communication of changes by the customer must be done within three weeks. Should the

customer issue no release or suggest no changes, the project is considered cancelled and neither of the parties can derive any legal claims from it. Moreover, with development contracts that are divided into several stages of development (Milestones) both the customer and STAPELFELDT electronic GmbH can break off the project after each stage of development. If the customer issues no release of a stage of development, the customer will be reimbursed for any payments made through to cancellation for this stage of development. Neither of the parties can derive a legal claim from cancellation.

3. Confidentiality

STAPELFELDT electronic GmbH is obligated to treat with confidentiality all information made accessible by the client and refrain from sharing it with third parties. The sensor designs developed by STAPELFELDT electronic GmbH to solve a measurement task may not be shared with third parties by the customer without the written permission of STAPELFELDT electronic GmbH. Production of sensors developed by STAPELFELDT electronic GmbH by third parties likewise requires written permission.

4. Delays

Delays for which STAPELFELDT electronic GmbH cannot be held responsible will postpone any deadlines already arranged by the duration of the delay. STAPELFELDT electronic GmbH must immediately inform the customer of this.

5. Reports

STAPELFELDT electronic GmbH will discuss deviations from schedule and/or substantive changes with the customer. Minutes will be taken of the results of these discussions. If the customer does not object to the minutes within 14 days of receipt, the deviations and/or changes, along with the costs resulting from them, will be deemed accepted by the customer.

6. Customer's Project Representative

The customer will name a project representative who can make all necessary decisions as the contact person for STAPELFELDT electronic GmbH. The project representative will be available on two days' notice as necessary. In the event of illness or vacation, the customer will identify a substitute for the project representative for STAPELFELDT electronic GmbH.

7. Minor Deviations

If deviations appear during series testing and they only insignificantly detract from the value or suitability of the sensor developed for the use defined in the specifica-

tions, the order will still be deemed fulfilled. Such deviations are nevertheless to be remedied by STAPELFELDT electronic GmbH, immediately and without charge, to the extent reasonable.

8. Liability

STAPELFELDT electronic GmbH is liable for foreseeable damages that were caused either through malice or gross negligence by its own employees or other auxiliary personnel or which result from a violation of essential contractual obligations. Liability going beyond this is excluded. Liability under the Product Liability Act is not affected.

9. Third Party Rights

To the extent that the rights of third parties are necessary infringed on by provisioning or other collaboration by the customer, the customer indemnifies STAPELFELDT electronic GmbH from any claims by these third parties and any liability to third parties. If the infringement is the culpable fault of STAPELFELDT electronic GmbH, the customer grants STAPELFELDT electronic GmbH the option to alter the product developed without significant impairment in such a way that the infringement is avoided.

10. Price

Our prices are stated to the extent nothing else is arranged, in the currency of the Federal Republic of Germany and refer to

the scope of delivery described in the offer. They are subject to change and calculated on the basis of current costs. When accepting deviating quantities, changes in price are reserved.

11. Packaging

Packaging will be completed, if nothing else is agreed upon, at the discretion of STAPELFELDT electronic GmbH. Costs for packaging and shipping will be calculated at own price costs.

12. Delivery/Delivery Deadline

Deliveries will proceed strictly at cost and risk to the buyer. As soon as the object of contract has left the business premises, the risk of incidental loss transfers to the buyer. The duty to deliver is fulfilled in this case. All conditions beyond the influence of STAPELFELDT electronic GmbH that hinder or disrupt delivery are considered cases of force majeure. Especially cases of labour unrest, raw materials scarcity, fire, disruptions in transportation, operational disruptions any kind at STAPELFELDT electronic GmbH or its suppliers and all conditions not listed here that hinder the timely and proper execution of the order by STAPELFELDT electronic GmbH release STAPELFELDT electronic GmbH from meeting delivery deadlines and from any claims for compensation for damages.

13. Call Orders

With call orders the entire ordered quantity must be accepted within the agreed-upon period. If the calls are not made within this period, STAPELFELDT electronic GmbH is entitled to send the quantities that have not yet been called and bill them. Any claims deriving from this are subject to the normal payment conditions of STAPELFELDT electronic GmbH.

14. Warranty

Defects in delivered goods are to be reported in writing within two weeks of delivery. Goods that are subject of complaints may only be sent by the buyer or a third party specified by it. If the buyer or a third party undertook repair measures of its own initiative, liability on the part of STAPELFELDT electronic GmbH is excluded to the extent that this repair work lead to additional damages. STAPELFELDT electronic has the right to repair goods subject to complaints twice or provide a replacement. If the repair or replacement also fails the second time, the buyer can withdraw from the contract or demand a suitable reduction in the purchase price. The like applies if STAPELFELDT electronic GmbH is not able to affect repairs or provide a replacement free of defect. The warranty obligations are extended by the duration of any corrective work or repairs necessary. Even if STAPELFELDT electronic GmbH is in default the buyer is not entitled to remedy the defect itself or have it remedied by a third party. In the event of any and all returns, the delivery note is to be sent back. Ship-

ping costs will be reimbursed to the buyer to the extent that a defect is actually found in the good. Should it prove that the good returned by the buyer for repair actually is free of defects, STAPELFELDT electronic GmbH can bill the buyer for all expenses incurred by testing and inspecting the good for defects.

15. Reservation of Title

The good remains the property of STAPELFELDT electronic GmbH until all claims against the buyer in the business transaction are fulfilled.

16. Payment

If not otherwise arranged by contract invoices are to be paid within 30 days of receipt of invoice net, irrespective of any rights relating to possible complaints. In the case of development work and services there is a payment deadline 14 days after billing date. If the terms of payment are not met or if it proves that the buyer is in an unfavourable financial situation, STA-

PELFELDT electronic GmbH is entitled to demand pre-payment, either whole or partial, or payment of securities for all due or no yet due claims from all existing contracts. Should the buyer provide neither fulfilment nor prepayment of the security, STAPELFELDT electronic GmbH can withdraw from the contract after expiration of a grace period without result.

17. Obligation to Return

Patent specifications, internal company documents and other materials beyond general company correspondence relating to the execution of orders that are provided by and are property of STAPELFELDT electronic GmbH may not be made accessible to third parties and must be returned along with all copies immediately after the completion of the transaction.

18. Court of Jurisdiction

Place of fulfilment and court of jurisdiction for all disputes arising from this contract is Hamburg. German law applies exclusively.

Status: S/04