

GENERAL TERMS AND CONDITIONS



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General Terms

- 1.1. These general terms of delivery and payment are exclusively applicable to the business relationship for its entire duration. LICOI shall not recognise any conditions of the Customer which are in conflict with or deviate from these conditions and/or supplement these conditions unless LICOI has expressly agreed to these in writing. This approval requirement as well these general terms of delivery and payment shall also apply should LICOI unconditionally execute a delivery to the customer in full knowledge of the conflicting or deviating terms of the customer.
- 1.2. All agreements concluded between LICOI and the customer for the purposes of execution of this contract are to be set down in writing in this contract. Any individual subsidiary agreements with the customer shall have priority. As regards the content of such agreements a written instrument and/or LICOI written confirmation shall be authoritative. For the purpose of ensuring the written form the provision by facsimile shall be adequate, for the rest, the telecommunicative provision, particularly by email, shall not be sufficient.
- 1.3. Material statements and relevant notifications that have to be made by the customer after the execution of this contract (such as the appointment of a deadline, notice of a defect, declarations of termination or price reducing) shall be in writing in order to become effective.

2. Quotations and Orders

- 2.1. LICOI quotations shall always be without engagement and non-binding unless they have not explicitly marked as binding.
- 2.2. Although in principle, contracts with LICOI only come into force once LICOI has issued a written confirmation, they also come into force with the commencement by LICOI of the execution of an order and/or delivery of the goods. LICOI' confirmation of order or where no such confirmation of order exists, LICOI' quotation, is authoritative for the content of the contract.
- 2.3. LICOI reserves the right to make technical, and design changes, in particular improvements, even after confirming an order, in so far as this is reasonable for the customer.
- 2.4. Where a declaration by LICOI exists that has been designated as a description of a service or product, this description conclusively and completely specifies the characteristics and qualities of the supplied product or service. Such service and/or product descriptions are only nearly authoritative, unless the applicability for the contractually designated purpose requires exact conformity. In cases of doubt, these types of descriptions, illustrations, references to DIN/ISO standards etc. should not be assumed to constitute receipt of a warranty. In cases of doubt, only explicit written declarations by LICOI are authoritative in terms of receipt of a warranty.
- 2.5. LICOI reserves the right, within a period of 10 days upon the execution of this contract, to rescind from contract by way of a written declaration, if LICOI within the scope of a conducted solvency check shall become knowledge of facts that the creditworthiness of the customer appears to be questionable and jeopardize the performances as provided in the contract. In the context of a solvency check LICOI shall be entitled to request information (such as bank enquiry, credit report, Schufa).

3. Prices

- 3.1. Prices are indicated in Euro or in another agreed currency and do not include Value Added Tax (VAT). VAT shall be invoiced at the currently valid rate.
- 3.2. Prices shall be calculated on the basis of the prices in effect on the date of delivery/performance, in so far as no agreement to the contrary has been made.
- 3.3. Should the customer desire an uncustomary mode of dispatch, e.g., express delivery, the additional costs shall be charged to his account.
- 3.4. Prices quoted shall apply free delivered to the customer, including normal packaging and forwarding costs. For orders with a net invoice value of under three hundred Euro a flat rate of 25 (twenty-five) Euro shall be charged for postage and packaging costs. These charges shall not apply to follow-up deliveries from a larger total order.



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4. Terms of Payment

- 4.1. Invoices are payable no later than by the due date indicated in the invoice. Payment shall be made without any deduction and free of all charges. No deduction of a discount is permitted unless such discount was expressly agreed upon. Should the deduction of a discount be stipulated in the respective quotation/agreement or in the respective invoice, such discount is granted only if and to the extent that at the date of receipt of payment no balance is due in favour of LICOI. In case of repairs and deliveries of spare parts the possibility of deduction of a discount is excluded.
- 4.2. Payments are regarded as having been made on the day that these sums are at the disposal of LICOI. Cheques are accepted as payment but are subject to the customary reservations. Promissory notes are only accepted after prior agreement and only as payment subject to the customary reservations. All costs arising in connection with cheques or promissory notes are borne by the customer.
- 4.3. The customer is only entitled to offset amounts if his counterclaim has been legally established, uncontested or is recognised by LICOI. The customer shall have no right to redebit or retain monies unless this is based on the same contractual relationship.
- 4.4. In the event of default in payment, the customer shall be obliged to pay interest for default as of the date on which he defaults on payment, which annual interest shall amount to 10 percent points above the applicable base rate of the European Central Bank and shall be no less than 12%. The right of LICOI to demonstrate a higher loss and the right of the customer to demonstrate a significantly lower loss remain unaffected. In any case the customer shall be liable for statutory default interest. No interest is payable on down payments and advance payments. LICOI shall also be entitled within reasonable limits to withhold deliveries, even those from different orders, and to perform delivery only against prepayments or on a cash-on-delivery basis.
- 4.5. Notwithstanding the rights contained in these terms of delivery and payment, LICOI' legal rights in respect of default of payment and ability to pay remain unaffected. Delivery times agreed to by LICOI shall be extended by the period of default of payment.
- 4.6. In the event of a perceptible deterioration in the customer's financial circumstances, suspension of payments by the customer, excessive indebtedness, a petition for institution of insolvency proceedings being filed, or the dishonouring of cheques by the customer, all of LICOI' debts shall become payable immediately. In such cases, LICOI shall be entitled at its discretion upon the fixation of a reasonable period of time to demand advance payment or provision of security and, should the customer definitively refuse to meet the terms of the contract and/or to provide security or upon the fixation of a period of time shall not perform its obligation and/or provide security, to terminate the contract or demand damages for non-performance. The right to claim damages and to withdraw from contract shall remain unaffected.

5. Delivery

- 5.1. Delivery times/deadlines shall only be binding if confirmed by LICOI in writing. Otherwise, it is a matter of "circa periods".
- 5.2. The delivery deadlines shall be considered to have been met if, by the time of the deadline, the delivery item has been dispatched or collected from LICOI, or, should this dispatch or collection be delayed for reasons for which LICOI is not responsible, if notification of readiness to deliver is given within the stipulated time.
- 5.3. Delivery times that have agreed upon in writing shall be extended by a reasonable period should their non-observance after conclusion of a contract be as a result of "force majeure", mobilisation, war, riots, strikes, lock-outs, attachments, embargoes, or the occurrence of other unforeseen hindrances which cannot be eliminated by reasonable means and which are outside of the sphere of responsibility of LICOI. The same shall apply should such circumstances affect subcontractors and ancillary suppliers. Should delivery be impossible in whole or in part because of the nonculpable failure of LICOI to obtain supplies itself, as a result of "force majeure" or of difficulties not caused by negligence of LICOI, LICOI shall be entitled to terminate the contract. In this event, the customer shall not be entitled to claim damages or delivery of whatever kind.
- 5.4. The customer's right to termination upon expiry of a reasonable period of grace granted to LICOI without result shall remain unaffected.



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- 5.5. Claims for compensation or reimbursement of expenses as a result of impossibility of - or delay in - performance of the service or delivery shall be restricted to the amount of damages which could have been foreseen at the conclusion of contract. There shall be no liability in respect of the above in the event of simple negligence on the part of LICOI. Compensation entitlements in respect of intentional damage, damage to health, personal injury or death remain generally unaffected.
- 5.6. Should dispatch or delivery of the goods be delayed by circumstances lying within the sphere of responsibility of the customer, LICOI shall be entitled to charge the resulting additional expenses to the customer's account.
- 5.7. Part deliveries shall be permitted, as far as such deliveries are reasonable for the customer. To the extent that such part deliveries can be used on their own, they shall be considered as independent deliveries in respect of the due date of payment.
6. Dispatch and Packing
- 6.1. Dispatch within the territory of the Federal Republic of Germany shall be from a location to be specified at the discretion of LICOI unless otherwise stipulated by the parties. The manner of delivery shall be subject to LICOI' discretion. Special requests of the customer shall be met in so far as this is possible. The customer shall bear any resulting additional expenses (see Item 3.3. above).
- 6.2. The goods shall be delivered in packaging which is suitable for dispatch and transport. Should means of packing or transport be desired above and beyond this transportability requirement, the customer shall bear the additional expenses.
- 6.3. For after-sales service deliveries (replacement parts, repair equipment), postage and packaging shall be calculated separately.
- 6.4. Should damaged packaging have to be replaced, LICOI reserves the right to charge for the replacement if LICOI did not cause the damage.

7. Passing of Risk

The risk lies with the customer for all deliveries, including any returns, even if freight prepaid, FOB, or CIF (Incoterms 2000) delivery has been agreed. The risk shall pass to the customer as soon as the consignment leaves the warehouse of LICOI or of a warehouse maintained by LICOI. Should delivery be delayed at the customer's request or as a result of circumstances for which the customer is responsible, the risk shall pass to the customer for the duration of the delay as of the date of notification of readiness to deliver.

8. Reservation of Title

- 8.1. LICOI shall retain title to the goods until all present and future claims against the customer to which LICOI is entitled as a result of mutual business have been settled (reserved goods). LICOI' claims shall not be extinguished upon being included in any current account balance and LICOI recognising this balance. The customer shall store the reserved goods in a proper manner and insure them sufficiently at his own expense. The customer shall be entitled to resale of the reserved goods only within the framework of his ordinary course of business, either against payment in cash or upon agreeing upon a reservation of title. The customer shall be prohibited from transferring ownership by way of security, pledging, or otherwise disposing of the reserved goods in any manner which thwarts or impedes the reservation of title in functioning as security. Should third parties attach reserved goods in the customer's possession, the latter shall inform such third parties of LICOI' reservation of title, and shall inform LICOI in writing of the attachment enclosing the order of attachment and a statutory declaration which declares that the goods attached are identical with the reserved goods supplied. The customer shall bear any costs arising from attempts to prevent attachments by third parties in the event that proceedings are successful and in the event that attempts to enforce the judgment on the third parties in question are not successful.



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- 8.2. Any modification or processing of the reserved goods affected by the customer on behalf of LICOI shall not give rise to any obligations for LICOI. In the event of processing, combination, or mixing of the reserved goods with other non LICOI goods, LICOI shall be entitled to the resulting fractional share of co-ownership of the new item, in accordance with the ratio between the value of LICOI reserved goods and that of the other goods processed at the time of processing, combination, or mixing. Should the customer acquire sole ownership of the new item, he shall grant LICOI co-ownership of the new item in proportion to the value of LICOI' reserved goods and shall hold the item in safe custody for LICOI free of charge.
- 8.3. In the event of resale or leasing of the reserved goods, the customer assigns to LICOI in advance and by way of security his claims against his customers arising from this resale or leasing, up to the value of the reserved goods sold in each individual case and/or in the amount of a possible co-ownership share; this assignment shall apply until all claims of LICOI arising from business dealings with the customer have been settled. Should the reserved goods be resold or leased together with goods from other suppliers and should an overall invoice be issued for both types of goods, the customer shall assign to LICOI that portion of the total price charged and/or of the total rental fee corresponding to the reserved goods included in the overall invoice; the same shall apply to ancillary rights (reservation of title, transfer of ownership by way of security, bills of exchange and the like). In a fiduciary capacity and for the account of LICOI, the customer shall be entitled to collect claims arising from resale which have been assigned to LICOI, and shall be entitled to enforce ancillary rights. The customer's authorisation to collect and the authority to enforce ancillary rights can be cancelled for good cause, in particular in the event of a substantial deterioration in his financial position. The above-mentioned authorisations in particular the customer's authorisation to collect, shall extinguish definitively should he fail to fulfil his financial obligations to LICOI, should insolvency proceedings be instituted against him, or should the institution of such proceedings against him be refused for insufficiency of assets. The customer shall not be authorised to dispose of the assigned claims by other means, e.g., by assignment to third parties (in particular to financial institutions), without prior written consent of LICOI. 8.4. In the event of default by the customer in making payment to LICOI, dishonouring of promissory notes or cheques, suspension of payments, excessive indebtedness, or should his assets be the subject of insolvency proceedings, or should the institution of such proceedings be refused for insufficiency of assets, the entire balance of his debts shall become payable, including promissory notes with later maturities. In this event, the customer shall, at the request of LICOI, provide LICOI with a list of all goods still in his possession which are subject to reservation of title, and a list of debts assigned to LICOI, which list shall include names and addresses of debtors and the amount of the debts. Should the conditions described above apply, the customer shall, upon request of LICOI, inform the debtors of the assignment of the debt to LICOI. LICOI shall be entitled to bring about the notification of such third party debtors itself. LICOI shall also be entitled to repossess the goods subject to its reservation of title with a view to utilisation or discharging the balance of the debts. The customer shall be obliged to procure possession of the goods for LICOI or to allow the authorised representative of LICOI access to the business premises during normal business hours. The demand for return or the seizure of the goods shall not constitute termination of the contract.
- 8.5. At the customer's request, LICOI shall be obliged to release security at the customer's discretion where the total value of such security exceeds the value of LICOI' claims against the customer arising from current business dealings by more than 20%.
- 8.6. Should the proposed reservation of title not be legally effective in the territory in which the goods are located, the parties agree that the legal stipulations in that territory which are most similar to the rights of retention of title are to apply. Where special requirements are necessary to meet these stipulations, the customer is obliged to ensure that these requirements are met at his own cost.

9. Complaints and Warranties

Any complaints regarding incomplete, false or defective deliveries are to be reported in writing immediately after delivery. Hidden defects are to be reported in writing after these have been established. The punctual dispatch of the complaint suffices to comply with the time limit. LICOI shall be liable for defects in the consignment subject to the following conditions:



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- 9.1. As a rule, the warranty period shall last 12 months - unless otherwise agreed in writing - from the date of delivery to the customer. The warranty period shall be extended by the period in which the delivered product cannot be used because of the need for remedy of defects or replacement of goods. However, remedy of defect or subsequent delivery shall not result in a new warranty period, unless the remedy of defect or subsequent delivery in due consideration of any and all circumstances of the individual case has to be seen as an implied acceptance of an obligation to remedy a defect; a rectification of a defect, for the rest, shall only result in a new warranty period as it concerns the same defect or the result of a defective rectification of a defect. In case of death, personal injury or damage to health as well as in case of intent, violation of material contract obligations or grossly negligent violence of other obligations under the contract the statutory period of limitation applies. Where a defect causing damage forms part of an indemnity agreement between LICOI and the customer or where a defect was fraudulently concealed a limitation or reduction of the statutory period of limitation is excluded. The provisions contained in Sections 478 and 479 German Civil Code (BGB) remain unaffected as a whole. 9.2. During the warranty period, LICOI shall at its own discretion either replace or repair free of charge any parts which are found to be unserviceable or of substantially impaired serviceability as a result of circumstances which are shown to have existed before the passing of risk. Defective design, poor materials, and faulty construction shall constitute such circumstances.
- 9.3. The customer shall fulfil all his contractual obligations, in particular the stipulated terms of payment. The customer shall be entitled to withhold payment because of a defect only if a complaint in respect of a defect of goods has been filed within the applicable time period. In this event, the payment withheld shall be in reasonable proportion to the extent of the defect noted.
- 9.4. The customer shall grant LICOI the necessary time and occasion to fulfil the warranty obligations. Should he refuse to do so, LICOI shall be released from the warranty obligation and from the liability for defects.
- 9.5. Should LICOI allow a reasonable period of grace to expire without remedying the defect or replacing the goods, or should LICOI refuse to take either action, or should remedy or replacement be impossible, the customer shall be entitled to avail himself of his right to termination of contract or reduction of the purchase price.
- 9.6. Any improper repairs or modifications effected by the customer or by third parties shall nullify any warranty or liability, unless the customer proves that the defect is not the result of this intervention.
- 9.7. The liability for defects shall not apply to normal wear and tear, nor to damage occurring after passage of risk as a result of faulty or negligent handling, overuse, inappropriate equipment, or such chemical, electro-chemical, or electrical influences as are not provided for in the contract.
- 9.8. Any further claims or rights of the customer against LICOI or against persons employed by LICOI resulting from defects in supplied goods shall be barred, in particular claims for damage not affecting the supplied goods themselves. This shall not apply where there is wilful misconduct, damage to health, personal injury or death. The above exclusion of liability shall also not apply where the defect causing the damage or loss is the subject of a warranty agreement between LICOI and the customer or where the defect was fraudulently concealed. The provisions contained in Section 478 of the German Civil Code (BGB) remain unaffected.
- 9.9. In so far as the LICOI product is equipped with accessories from third-party companies and the warranty terms and conditions of the third-party company are included with the LICOI product, LICOI shall assume these terms and conditions only in so far as they are not more disadvantageous for LICOI than the above provisions. Otherwise the above provisions shall apply.
- 9.10. Warranty claims arising from any batteries included shall be barred. Such batteries shall only be for demonstration purposes and operational tests.

10. Liability

- 10.1. Unless otherwise explicitly stipulated in these terms, or in the contract on which the delivery is based, LICOI shall also be liable for damages which are caused by gross negligence or with intent of LICOI, its agents, its executives or its vicarious agents. However, notwithstanding the above, LICOI shall also be liable for simple negligence in cases of material breach of contract. This liability for material breach of contract is restricted to such damage as is foreseeable and typical for the agreement in question. In respect of nonmaterial breach of contract, LICOI is also only liable for such damages in cases of gross negligence. Material are those obligations whose performance



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- enable the due execution of the contract in the first place and on whose compliance the contracting party can trust upon regularly.
- 10.2. In the event of damage to health, personal injury or death, where liability pursuant to the German Product Liability Act (Produkthaftungsgesetz) exists, and where there is wrongful intent, the liability of LICOI is unrestrictedly subject to the statutory regulations. Liability in respect of impossibility of or delay in delivery/performance is solely subject to Item 5.5. of these Terms of Delivery and Payment.

11. Assignment of Claims

Claims arising from this contractual relationship and all claims against the damaging party or its insurer arising from the loss of or damage to reserved goods may only be assigned to third parties with prior written permission of LICOI.

12. Export control rulings

- 12.1. The export of certain goods, information, software and documentation can for example, by very nature of their type or their purpose or end purpose be subject to the approval agreement. The end user shall strictly abide by the relevant export regulations pertinent to the goods, information, software and documentation in question, in particular with regard to the EU, EU member states as well as the USA.
- 12.2. In compliance with the legislation governing export controls of the Federal Republic of Germany, as well as of the EU member states and the USA the customer is under obligation to procure at his own cost and before the actual export of products or technical information, which he has received from LICOI, all the required export licenses and any such other documents necessary.
- 12.3. The customer shall be under obligation, not to sell, export, re-export, deliver or otherwise pass on, whether directly or indirectly, such products or technical information to persons, companies or to other countries in so far as this be in breach of laws and rulings of the Federal Republic of Germany, other EU member states or the USA. The customer is obliged to inform all recipients of these products and/or of any technical information of the requirement to abide by these laws and rulings.
- 12.4. The customer shall procure at his own cost all licenses and documents required for export and import, which may also be required for using the products. Refusal of export permission does not entitle the end user/ordering person or body/ purchaser to withdraw from the contract or to claim for damages.

13. Data Protection

Data will be processed according to the applicable laws and taking account of our "privacy policy". Data collected from the customer will only be collected, processed and used to the extent required for the conclusion and performance of the sales agreement and / or any further agreements between LICOI and the customer.

14. Place of Performance

The place of performance for deliveries, payments and warranties shall be Kaiserslautern.

15. Place of Jurisdiction

- 15.1. For all disputes, including actions in summary proceedings based solely on documentary evidence (Urkundenprozess), and actions in summary proceedings for unpaid cheques (Scheckprozess), Kaiserslautern shall be the agreed place of jurisdiction for merchants entered in the commercial register, legal persons under public law, and separate public estates. This shall also apply in the event that the customer's legal residence or habitual place of residence is unknown, is located abroad, or has been transferred abroad.
- 15.2. For all above listed cases LICOI shall also be entitled to file a lawsuit in the court with jurisdiction over the customer.

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16. Validity of the LICOI Terms of Delivery and Applicable Payment Law

- 16.1. Should individual provisions of the contract outside these Terms of Delivery and Payment be invalid, this shall affect neither the validity of the other provisions nor that of the contract.
- 16.2. The Terms of Delivery and Payment and the contracts concluded within the framework of these terms and conditions are subject to German law. The Vienna Convention (UN Convention on Contracts for the International Sale of Goods of 11 April 1980) is not applicable.

Kaiserslautern, Juni 2012