

IDS Imaging Development Systems, Inc. General Terms and Conditions

I. General

1. All deliveries and services provided by IDS Imaging Development Systems, Inc., 400 W Cummings Park, Suite 2050, Woburn, MA 01801, USA (referred to as IDS for short) are based solely on these General Terms and Conditions (GTC). IDS shall be bound by the buyer's general terms – including those that differ from and supplement the GTC of IDS – only if they have been acknowledged expressly and in writing by IDS. The buyer's general terms will also not become part of the contract by virtue of acceptance or completion of an order.
2. These GTC will also apply for all future deliveries and services by IDS even if no subsequent reference is made to them. The buyer's general terms shall not be applicable, even if IDS does not expressly contradict or reject them.
3. Amendments and additions to the contract and to technical specifications can only be made by an officer of IDS. Verbal assurances/ promises/ declarations by IDS employees will only be binding if they are confirmed by an officer of IDS.

II. Price and payment; Taxes

1. Prices quoted, unless otherwise stated in writing, do not include sales, use, excise or similar taxes or duties. Buyer shall pay these taxes directly if the law permits or will reimburse Seller if it is required to pay them. Buyer will provide tax ex-

emption certificates or evidence of tax payment on request. Unless otherwise stated, prices are valid for sixty (60) days and for the delivery date specified in the quotation. Revisions to the desired delivery date by the buyer and delays not due to IDS's negligence may be subject to escalation of prices at Seller's sole discretion.

2. Unless otherwise agreed, prices are understood to be EX WORKS (incoterms 2010) excluding packaging, which is invoiced separately.
3. Invoices are due for payment immediately and without deduction, unless otherwise agreed by the parties.
4. Payment can be made using one of the methods mentioned in the IDS online shop or on the formal quotation.

III. Offer and conclusion of the contract

1. Offers by IDS are non-binding, except where the parties have expressly otherwise indicated. IDS can accept the buyer's orders within two weeks. The buyer places its binding order of the products in the shopping-cart by clicking the button "place order" (or similar) on the website of IDS (www.ids-imaging.us) or by sending a purchase order document to IDS via email, fax, or mail.
2. A contract with IDS is only deemed to be formed where the buyer receives the order confirmation of IDS via email or IDS commences rendering the products or services.

3. Where IDS issues a written confirmation of order, such confirmation shall be determinative as to the substance and scope of the contract between the parties, unless it was expressly agreed to the contrary.

IV. Delivery, transfer of risk and buyer's cooperation duties

1. Unless otherwise agreed between the parties the delivery is effected ex works or warehouse and on account and risk of the buyer. The risk of loss or damage to the products passes to the buyer upon dispatch.
2. Delivery dates are estimates only and are not guaranteed. IDS will use every commercially reasonable effort to make shipments as scheduled and may make partial shipments.
3. IDS shall not be in default if an upstream supplier, with whom a matching cover transaction was entered into, does not perform at all, does not perform timely and/ or does not perform correctly, unless IDS is responsible for incorrect, delayed or missed self-delivery.
4. Partial deliveries are permissible provided they are not unacceptable to the buyer.
5. If the products are to be shipped abroad, the buyer is responsible for ensuring compliance with all export regulations – particularly for obtaining export permits. If the export regulations are not complied with, IDS is entitled to withdraw from the contract.
6. If the delivery includes products for which IDS must obtain an

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export permit, the contract will not be deemed binding to IDS until the respective permit is received. The buyer undertakes to provide all documentation that is necessary for obtaining the permit.

7. If products 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. Return and exchange

1. All Product returns require a Return Merchandise Authorization ("RMA") number issued by IDS. Please contact IDS to receive an RMA <http://ids-imaging.us/support.html>. No Products may be returned without prior written approval of IDS. All returned Product shipments without an RMA number will be refused by IDS and a refund will not be issued.
2. Returns and exchanges are subject to the following restrictions:
 - a. Products must be returned within 30 days of the original date of purchase.
 - b. Purchaser will be charged a 15% restocking fee for any return.
 - c. All returned Products are subject to inspection by IDS. IDS will only accept Products returned in original condition. IDS will return to Purchaser any Products displaying any misuse or damage or

otherwise not in original condition.

- d. Products must be returned in the original manufacturer's packaging. Products must be packaged for shipping in a separate shipping container with the RMA number clearly marked on the shipping container.
 - e. Purchaser is responsible for all shipping costs relating to Product returns for any reason; original shipping charges will not be refunded by IDS.
 - f. If payable, IDS will issue refunds in the same form as Purchaser's original payment for the Products.
3. IDS has sole discretion for returns, credit, replacement, exchange, repair or remedy of deficiencies.

VI. WARRANTY

UNLESS OTHERWISE STATED AGREED BETWEEN THE PARTIES, PRODUCTS MANUFACTURED BY IDS ARE WARRANTED SOLELY TO THE ORIGINAL BUYER FOR TWENTYFOUR MONTHS (24) MONTHS FROM DATE OF SHIPMENT OR ONE (1) YEAR FROM DATE OF INSTALLATION, WHICHEVER IS SOONER, AGAINST DEFECTS IN MATERIAL AND WORKMANSHIP WHEN PAID FOR AND PROPERLY INSTALLED AND MAINTAINED UNDER NORMAL USE AND SERVICE. WARRANTY WILL BE IMMEDIATELY VOIDED BY SUBSTITUTION OF NON-SELLER APPROVED PARTS. NO WARRANTY IS PROVIDED FOR

PRODUCTS OR COMPONENTS THAT HAVE BEEN SUBJECT TO NORMAL WEAR AND TEAR, MISUSE, IMPROPER INSTALLATION, INCOMPATIBLE CHEMICALS/MATERIALS, CORROSION; THAT HAVE NOT BEEN USED FOR THEIR INTENDED PURPOSE; OR THAT HAVE NOT BEEN INSTALLED, MAINTAINED, MODIFIED OR REPAIRED IN ACCORDANCE WITH APPLICABLE STANDARDS OF THE NATIONAL FIRE PROTECTION ASSOCIATION AND/OR THE STANDARDS OF ANY OTHER AUTHORITIES HAVING JURISDICTION. FOR PRODUCTS IDENTIFIED IN A IDS PRICE BOOK AS MANUFACTURED BY THIRD PARTIES ("RESALE PRODUCTS"), IDS WILL PASS THROUGH TO BUYER ANY TRANSFERABLE WARRANTIES PROVIDED TO IDS BY THE MANUFACTURER OF SUCH RESALE PRODUCTS. MATERIALS FOUND BY IDS TO BE DEFECTIVE SHALL BE EITHER REPAIRED OR REPLACED, AT IDS'S SOLE OPTION. SELLER NEITHER ASSUMES, NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT, ANY OTHER OBLIGATION IN CONNECTION WITH THE SALE OF PRODUCTS OR PARTS OF PRODUCTS. IDS SHALL NOT BE RESPONSIBLE FOR SYSTEM DESIGN ERRORS OR INACCURATE OR INCOMPLETE INFORMATION SUPPLIED BY BUYER OR BUYER'S REPRESENTATIVES. THE FOREGOING WARRANTY IS MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS LIMITED

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WARRANTY SETS FORTH THE EXCLUSIVE REMEDY FOR CLAIMS BASED ON FAILURE OF OR DEFECT IN PRODUCTS, MATERIALS OR COMPONENTS, WHETHER THE CLAIM IS MADE IN CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY. THIS WARRANTY WILL APPLY TO THE FULL EXTENT PERMITTED BY LAW. THE INVALIDITY, IN WHOLE OR PART, OF ANY PORTION OF THIS WARRANTY WILL NOT AFFECT THE REMAINDER.

VII. LIMITATION OF LIABILITY

IN NO EVENT SHALL IDS BE LIABLE, IN CONTRACT, TORT, STRICT LIABILITY OR UNDER ANY OTHER LEGAL THEORY, FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS AND LABOR CHARGES, REGARDLESS OF WHETHER IDS WAS INFORMED ABOUT THE POSSIBILITY OF SUCH DAMAGES, AND IN NO EVENT SHALL IDS'S LIABILITY EXCEED AN AMOUNT EQUAL TO THE SALES PRICE.

VIII. Retention of title

IDS reserves and retains title to products supplied hereunder until payment in full of the purchase price therefore is received by IDS.

IX. Protective rights

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 buyer for infringement of protective rights by products delivered by us and used in accordance with the contract, IDS shall be liable to the buyer as follows:

- a. At its discretion, IDS will either obtain right of use for the delivery in question to its own cost, or
 - b. IDS will modify the products in such manner that the protective rights are no longer infringed, or
 - c. IDS will replace the delivery with products that are not deficient.
2. If IDS is unable to take any of these steps under reasonable conditions, the buyer 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 of clause VII.

3. The obligations of IDS stated in clause X. no. 1. and 2. are exhaustive in the case of infringement of protective rights or copyrights. They take effect only if

- a. the buyer informs IDS immediately about the claims regarding infringement of protective rights or copyrights filed by third parties,
- b. the buyer 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 buyer,
 - d. the defect of title has not arisen as a result of other information that the buyer made available to IDS,
 - e. the rights infringement did not arise as a result of the buyer altering the delivered products in an unauthorized manner or using them in a manner inconsistent with the contract.
4. If the buyer makes modifications to the delivered products, installs additional equipment or combines the delivered products with other equipment or devices, and if as a result protective rights of third parties are infringed, the liability of IDS shall be invalidated.

X. Solvency

Buyer's order will be deemed a representation that buyer is solvent and able to pay for the products ordered. If buyer fails to make payments when due or if bankruptcy or insolvency proceedings are instituted by or against buyer, or if buyer makes an assignment for the benefit of creditors, buyer will be deemed to be in default and IDS will have the right to terminate its obligations by written notice to buyer, but such termination will not affect buyer's obligation to pay for products delivered and works in progress.

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XI. Prohibited Use

1. The buyer acknowledges that the products are not intended for use in:
 - a. in weapons-related or nuclear-related applications;
 - b. the human body (e.g., endoscopic cameras, implantable cameras, etc.); and
 - c. applications where the failure of the products reasonably would be expected to result in personal injury, death or property damage, (collectively, "Prohibited Applications").
2. The buyer will not use the products for any Prohibited Applications. If IDS, in its sole discretion, determines that the buyer uses or is about to use the products for any Prohibited Applications, IDS or its distributors may immediately stop supplying products to the buyer.

XII. Force Majeur

IDS will not be liable for any failure to perform due to the prospect,

occurrence or results of any act of God, war, civil commotion, acts of civil or military authority, legislation, strike, labor dispute, breakdown of machinery, accident, inability to obtain supplies, raw materials, labor, equipment, fuel, power, components, or transportation, inability to obtain any necessary import or export or other licenses or the consent of any governmental authority or any other cause or circumstances whatsoever beyond its control, whether similar or dissimilar to the foregoing.

XIII. Applicable law, legal venue, severability clause, Amendments

1. All legal relations between IDS and the buyer are governed solely by the law of the Commonwealth of Massachusetts, excluding conflict of law rules.
2. These terms and conditions shall be governed in accordance with the law of the Commonwealth of Massachusetts. All disputes under these terms and conditions shall be resolved by the state or federal courts of the

Commonwealth of Massachusetts and the parties all consent to the jurisdiction of such courts, agree to accept service process by mail, and hereby waive any jurisdiction or venue defenses otherwise available.

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. Invalid provisions shall be deemed to be replaced by such valid provisions that shall implement the economic purpose of the invalid or unenforceable provision to the greatest extent possible. The same applies in gaps of the GTC and/or the Contracts.
4. Amendments, ancillary agreements and addenda and any agreements as to quality or the provision of warranties shall only be valid where contained in an express agreement of the parties; such agreement must be made in writing in order to be valid and effective.