

GENERAL CONDITIONS FOR SUPPLIES, SERVICES AND LICENSES

1. **Scope.** These General Conditions for Supplies; Services and Licenses ("**Conditions**") shall apply to all supplies, and services of any kind provided by RAYLASE AG ("**RAYLASE**") to its customers, provided such customers are business entities or legal entities or funds established under administrative law ("**Customers**"), including in particular the delivery of goods and works ("**Products**") and the granting of licenses. If RAYLASE and the Customer have entered into one or more contract of sale or a service, license or other agreement (hereafter referred to as "Contract"), these Conditions shall apply except if and to the extent that the Contract provides otherwise.
2. **No Other Terms and Conditions.** RAYLASE does not accept any terms and conditions which deviate from these Conditions, except if such terms and conditions have been expressly accepted by RAYLASE. In particular, potential customers other than the Customers defined above may not make use of any supplies, services or licenses from RAYLASE except with its prior express written consent. Any such acceptance shall apply only to the transaction at issue, and in particular not to any past or future supplies or services.
3. **Quotations** which RAYLASE may submit shall not be binding on RAYLASE.
4. RAYLASE reserves two weeks to **confirm orders**. Orders to RAYLASE can be accepted only if they are submitted in writing.
5. The Customer shall refrain from using for any purpose unrelated to the Contract, copying and making available to third parties any **technical specifications**, computer files, drawings, quotations and calculations which the Customer may receive from RAYLASE, in particular in connection with the negotiation or the performance of the Contract. RAYLASE reserves the property rights, copyright and other rights in such materials. In the event that the Customer violates the foregoing obligation, RAYLASE shall be entitled to request immediate release and delivery of such materials.
6. **Terms of Delivery.** All Products shall be delivered EX WORKS Wessling, Incoterms 2000. The prices quoted by RAYLASE shall be deemed agreed on the same basis. Unless otherwise agreed, the Customer hereby instructs RAYLASE to arrange for shipping, packaging and insurance at the Customer's expense.
7. No **delivery date** shall be binding on RAYLASE unless it has been expressly confirmed in writing and the Customer has complied fully with all of its responsibilities regarding the delivery. In particular, the Customer shall have confirmed in writing upon request that the installation requirements issued by RAYLASE have been met.
8. In the event that the Customer **fails** to accept delivery, RAYLASE reserves the right to put the Products concerned into storage at the Customer's expense and to sell such Products, in an auction or otherwise, to any interested third party. An additional amount equal to five percent (5 %) of the selling price shall be charged without prejudice to further claims.
9. RAYLASE reserves the right to make **partial deliveries**.
10. The obligation to deliver any Products shall be subject to the condition precedent that RAYLASE shall have been supplied correctly and in due time by its **suppliers**.
11. If the Product ordered has been replaced by a **Successor Product** prior to delivery, RAYLASE reserves the right to supply such Successor Product instead of the Product originally ordered provided that the Successor Product meets the agreed specifications and is not more expensive than the Product ordered.
12. **Property Rights.** The Customer's right to use any Products supplied by RAYLASE which are protected by intellectual property rights, in particular computer software products and documentation ("**Software**"), shall be strictly limited to internal business purposes and otherwise as provided in the Contract and in these Conditions. All other rights in the Software are reserved. The Customer shall refrain from (a) reverse engineering the Software or reducing it in any other ways to a form perceptible to humans; (b) modifying, adapting or translating the Software, combining it with other software, or creating derivative works of the Software; and (c) performing any benchmark tests with the Software and/or publishing the results of any benchmark tests without RAYLASE' prior written consent, except in each case to the extent expressly permitted in the Contract or by mandatory law. The Customer's right to copy and modify the Software to the extent expressly permitted by applicable mandatory legislation including provisions regarding back up and the elimination of errors shall not be deemed restricted hereby provided that RAYLASE has been given reasonable prior opportunity to eliminate the alleged defect, if any. Likewise, the Customer's right under applicable mandatory legislation regarding reverse engineering in order to obtain certain information shall not be deemed restricted hereby provided that RAYLASE has been given reasonable prior opportunity to provide such information. Any copies of the Software shall contain all of the trademark and copyright notices exactly as affixed on the original by the owner of such rights. The Customer shall also refrain from selling copies of the Software or generally making the Software available to any third party, whether or not for compensation, except with RAYLASE' prior written consent, which consent will be granted only if the third party acquirer assumes all obligations regarding the Software under the Contract and these Conditions and the Customer destroys all copies of the Software in its possession. The source code of the Software will not be delivered unless expressly agreed. The Customer shall refrain from any use of the Software not specifically permitted under the Contract or these Conditions.
13. **Confidentiality.** The parties mutually agree to keep all technical and commercial information received from the respective other party strictly confidential and to refrain from using any such confidential information except as strictly required to perform the Contract. Only information which the recipient can show was already published or known to it at the time of disclosure or that was published later without the fault of the recipient shall be exempted from this clause. The parties represent and warrant that their respective employees, consultants and subcontractors are bound by a secrecy obligation corresponding to or exceeding the standard set by this clause, which secrecy obligation shall remain in force even after the end of the relationship between the party concerned and its employees, consultants and subcontractors. The recipient shall notify the owner if information which the owner regards as confidential had been known to the recipient before or has become publicly known, or if notes or media containing such confidential information are lost, or if it deems itself legally obliged to provide confidential information to any third party, including courts of law or government entities. This confidentiality clause shall remain in force even after termination of the Contract.
14. **Minimum Term, Notice.** Support Contracts and other Contracts providing for recurrent supplies or services shall be deemed made for the term set out in such Contract. Unless otherwise agreed, either party shall be entitled to give written notice of termination of such Contracts observing a notice period of three months effective on the second anniversary of the signing of the Contract and thereafter effective on the end of any calendar quarter. In addition, the Customer may give written notice of termination of any such Contract at any time observing a notice period of three months if and to the extent that the Customer notifies RAYLASE that the Products to which the support or service relates have been decommissioned and either pays an indemnity to RAYLASE equivalent to the fees which it would have had to pay to RAYLASE until the earliest possible termination date pursuant to the first or second sentence above, minus the expenses saved by RAYLASE due to the early termination.
15. **Amendments, Modifications.** RAYLASE shall be entitled to amend or modify these Conditions by unilateral notice with proactive effect, observing one month notice. In such case the Customer shall have the right to withdraw from the Contract observing one month notice as well, provided that RAYLASE receives the Customer's notice to that effect within two weeks from the date on which the Customer has received the notice of the proposed amendment or modification. In the event that the Customer gives notice under this provision, the proposed amendment or modification shall not apply to the Customer.
16. If requested by the Customer, RAYLASE will use reasonable efforts to make any **changes** to the Products, the services, the delivery date or any other particulars agreed with the Customer for an additional charge.
17. **Terms of Payment.** All invoices shall be paid upon receipt without any deduction, unless otherwise agreed in the Contract. In the event that the Customer fails to make the payment within fourteen days from the due date, it shall be deemed to be in default whether or not RAYLASE has reminded the Customer of its payment obligation.

18. **Value Added Tax** shall not be deemed included in the prices quoted by us. If applicable, it will be shown separately in the invoice at the rate prevailing on the date of the invoice.
19. **Price List.** Supplies and services not covered by the Contract shall be billed based on the RAYLASE Price List prevailing at the time of receipt of the order.
20. **Adjustment of the Purchase Price.** In the event that RAYLASE has agreed to deliver the Products more than one month after the date of the signing of the Contract and its provision costs increase after the said date and prior to RAYLASE sorting out the specific Products for delivery to the Customer, RAYLASE shall have the right to increase the price agreed by an amount equivalent to such increase by giving notice of such increase to the Customer. In such case the Customer shall have the right to withdraw from the Contract, provided that RAYLASE receives the Customer's notice to that effect within one week from the date on which the Customer has received the notice of the price increase.
21. **No Set Off.** The Customer shall not be entitled to set off any of its claims against claims of RAYLASE, or to avail itself of a **right of retention** under civil or commercial law, except where the Customer's claims are undisputed or have been confirmed by a court judgment.
22. **Responsibilities of the Customer.** It shall be the Customer's responsibility to comply with any technical guidelines, such as installation requirements, which RAYLASE may issue from time to time, to create the required operating environment for the Products and to provide RAYLASE with all information and assistance which RAYLASE may reasonably require. In the event that RAYLASE is entitled, under statutory law, to claim an indemnity from the Customer in connection with a delay in providing RAYLASE with required information or assistance, such indemnity shall be calculated on the basis of the RAYLASE Price List, as amended from time to time, and in particular on the hourly rates set out therein. In the event that RAYLASE identifies to the Customer a third-party service provider, RAYLASE shall not be deemed to have assumed any liability in respect of the performance of such third-party service provider.
23. **Limited Remedies for Defects (Warranty).** The Customer's statutory remedies ("**Warranty Claims**") for defects of a Product, including any deviation from agreed specifications and/or any violation of rights of third parties (collectively "**Defects**") shall be limited to the statutory remedies as limited hereinafter. Whether or not the Contract is a commercial transaction, the Customer shall be responsible to inspect the Products and to notify RAYLASE of any defects thereof **without delay**, as provided under commercial law, failing which the Defect concerned shall be deemed accepted. Any Warranty Claims shall be excluded if (a) the Product deviates from the agreed specifications or the Defect limits the suitability of the Product for the agreed purpose to a negligible degree only or (b) the Defect is due to use of the Product for any purpose other than the contractual purpose or in violation of the relevant statutory requirements and/or any guidelines issued by the manufacturer or to modification of the Product without the prior approval of RAYLASE or to use of the Product in conjunction with other product not specifically approved by RAYLASE. Any Warranty Claims for violation of third-party rights shall be excluded unless such third-party rights are valid within the European Union and the Customer enables RAYLASE to conduct the defense alone without any restriction or grants to RAYLASE the necessary powers. RAYLASE reserves the right to decide whether to repair or to replace any Product which should prove to be defective. Upon RAYLASE's default with such repair or replacement, the Customer shall be entitled to decide whether a Product shall be repaired or replaced. RAYLASE shall not be deemed to have guaranteed certain specifications or other properties of the Products except if it has expressly confirmed such guarantee. The manufacturer's warranty issued with any Product shall not be deemed a guarantee of certain properties unless it expressly states otherwise.
24. **Recourse.** If the Customer resells the Products, its statutory right to take recourse against RAYLASE shall be excluded except if and to the extent that the Customer proves that the Products supplied by RAYLASE for resale and giving rise to such recourse shall have been shipped to the Customer's clients in the order in which they shall have been received by the Customer (FIFO). Recourse shall be excluded unless the Customer advises RAYLASE in text form of the underlying Warranty Claims within five days. The Customer shall be indemnified in kind only; claims for cash payments shall be excluded.
25. **Liability.** RAYLASE, its employees and subcontractors shall be liable in damages, whether based on contract or any other legal theory, only to the extent that the damage was caused by gross negligence or willful misconduct imputable to RAYLASE. In the event of bodily injury or damage to the health of a person, RAYLASE shall be liable also for slight negligence. In the event of a violation of a fundamental duty under the Contract, RAYLASE shall be liable also for slight negligence but its liability shall be limited to such damage as RAYLASE would have had to foresee at the time of signing of the Contract. RAYLASE' liability shall cover neither damage caused by the loss of data if such loss could have been avoided by daily, alternating back-up, nor damage caused by using any Products which could have been prevented by examination of the work products of such Product at regular intervals. Any liability under applicable mandatory product liability laws shall remain unaffected.
26. **Limitation Period.** Any claims based on an actual or alleged failure to perform shall be subject to a limitation period of twelve months for new Products and other deliverables and six months for used Products. Optical components are always excluded from warranty. Upon expiry of the agreed limitation period, the statutory right to withdraw from the Contract shall also terminate. However, any such claims against RAYLASE, which are based either on gross negligence or willful misconduct or on bodily injury or damage to the health of a person caused by negligence or willful misconduct, shall be subject to the applicable statutory limitation periods. The limitation periods shall begin on the date specified by the statute.
27. **Retention of Title.** Until payment in full of all outstanding amounts by the Customer, RAYLASE shall retain title to the Products. The Customer shall advise RAYLASE without any delay of any attachments of any such Products, in particular of any judicial execution measures or any other seizures, as well as of any damage suffered by such Products. In the event that any Product is shipped to or used in a country where this Retention of Title Clause is not fully valid and enforceable, the Customer shall provide RAYLASE with equivalent security.
28. **Export.** The Customer agrees to refrain from exporting any Products and technical information received from RAYLASE, except in the event that all relevant export regulations in force in its country of residence as well as in the United States of America are observed, and to impose this obligation also on its customers, without prejudice to the other provisions of the Contract or these Conditions.
29. **Subcontractors.** RAYLASE may make use of subcontractors to perform any of its obligations under the Contract or these Conditions, provided that the use of any such subcontractors shall not limit or restrict RAYLASE' obligations towards the Customer.
30. **Notices.** Any notices which may be given pursuant to the Contract or these Conditions shall be valid only if they are in writing.
31. **No Assignment.** The Customer shall not be entitled to assign its rights under the Contract – except for claims for payment – to any third party without RAYLASE' prior written consent, which consent shall not be unreasonably withheld.
32. **Severability.** Should one or more of the provisions of the Contract or these Conditions be or become invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected.
33. **Governing Law.** The Contract and these Conditions shall be subject to the laws of the Federal Republic of Germany except for the United Nations Convention on the International on the Sale of Goods (UNCITRAL).
34. **Jurisdiction.** All disputes arising under or in connection with the Contract or these Conditions shall be submitted exclusively to the courts of Munich. The Customer hereby submits expressly to the jurisdiction of the Munich courts. RAYLASE shall be entitled, at its discretion, to take legal action against the Customer in the courts having jurisdiction over the Customer.
35. **Privacy.** The Customer is hereby notified that RAYLASE will store and process personal data of the Customer in the context of the business relationship.
36. In the event of any inconsistency, the **English version** of these Conditions shall prevail