

Basler AG General Terms and Conditions of Delivery and Payment

§ 1 Scope and general provisions

1. These Terms and Conditions shall apply to all deliveries, installations, repairs, consulting and other services made or rendered by Basler AG, Ahrensburg or its affiliates (hereinafter: "Basler"). These Terms and Conditions, as amended from time to time, shall also apply to any subsequent transactions even if these Terms and Conditions are not again included therein by express reference.
2. Unless expressly accepted and agreed to by Basler, no terms and conditions of delivery and payment or other general terms and conditions of the customer shall apply.
3. These Basler AG General Terms and Conditions of Delivery and Payment shall not apply to any contracts entered into between Basler and consumers.
4. Basler products are manufactured for the distribution to business customers only and shall not be sold to consumers.

§ 2 Conclusion and amendment of contracts

1. Any quotations made by Basler shall be subject to change at any time and in all respects. Orders shall not become binding upon Basler unless Basler has confirmed the same either in writing or in text form (fax, e-mail, EDI).
2. The purchase contract shall be deemed concluded once Basler has confirmed the order in writing, in text form (fax, e-mail), via Electronic Data Interchange (EDI) or upon execution of the delivery. Any modifications or amendments of as well as any additions to the contract shall be valid only if made in writing or text form (fax, e-mail). Basler's employees and agents shall in particular not be authorized to make any oral side agreements, grant any oral commitments or make any oral agreements regarding the amendment or modification of the contract. Any such side agreements, commitments or other agreements as aforesaid shall be binding upon Basler only after amendment by Basler of the order confirmation issued in writing or in text form (fax, e-mail).

§ 3 Payments

1. Unless agreed otherwise, any claims owed to Basler under invoices issued by Basler shall be due and payable without deduction immediately after receipt of the respective invoice and delivery or acceptance of the goods.
2. Basler shall be entitled to credit payments initially to earlier debts owed by the customer. In case any costs and interest have accrued already, Basler shall be entitled to initially credit any payments to costs, then to any interest accrued, and finally to the principal debt.
3. In the event of a default in payment, Basler shall charge default interest at the statutory rate. Basler reserves its right to exercise any further claims available to it, including in particular but not being limited to any damages incurred as a result of the delay in excess thereof.
4. Where payment in installments or a credit period has been agreed, the full residual debt shall become immediately due and payable or Basler may rescind the partial payment agreement after expiry of a previously set period if:
 - a) The customer is in default with the payment of one installment and such installment accounts to at least 5 % of the cash price;
 - b) The customer is in default with the payment of two consecutive installments;
 - c) The customer finally ceases to make payments; or
 - d) Basler acquires knowledge of any other circumstances casting doubt on the customer's creditworthiness (e.g. the filing of a petition in insolvency or the institution of insolvency proceedings against the customer's assets).
5. The customer is only entitled to rights of offset or retention to the extent that its entitlement has been determined final and binding or is undisputed. In the case of a defect of the delivered goods, the counter-rights of the customer remain unaffected.

6. Payments shall be made in cash or by bank transfer. Basler shall be under no obligation to accept any bills of exchange or checks. If Basler admits to the giving thereof, the same will be accepted as payment only subject to available discounting opportunities and against reimbursement of all expenses, which shall be borne by the customer. Basler shall also not be obliged to timely present bills of exchange or checks and to lodge protests.
7. If the customer defaults in payment, then notwithstanding Basler's other rights under these Terms and Conditions Basler may at its option notify the customer in writing, setting a reasonable period of grace for performance or supplementary performance. After said period of grace has expired to no avail, Basler shall be entitled to withdraw from the purchase contract by written notice and/or to claim damages in lieu of performance. If the customer defaults in payment, Basler shall be entitled to make deliveries only after prepayment by the customer.

§ 4 Liability

Basler is liable for the breach of a contractual and non-contractual duty according to the legal regulations unless provided otherwise in the following provisions.

1. Where the law requires Basler in accordance with these provisions to compensate for a damage which has been caused by slight negligence, then Basler's liability shall be limited.

Basler shall be liable only for a breach of material contractual obligations (Obligations, whose fulfilment allow the contract to be properly implemented in the first place and the customer usually expects or may expect to be fulfilled) and such liability shall be limited to the typical occurring damage foreseeable at the time of conclusion of the contract. To the extent the damage is covered by an insurance policy (other than a stated benefit insurance) taken out by the customer for the respective insured event, Basler's liability shall be limited to any related disadvantages incurred by the customer such as, e.g., higher insurance premiums or interest disadvantages incurred up to the time of settlement of the claim by the insurer. The preceding limitations shall not apply in the event of death, bodily injury or health impairment.
2. Basler shall be liable without any limitation for willful conduct and/or gross negligence.
3. Notwithstanding any fault on the side of Basler, Basler's liability for fraudulent concealment of the defect, from a warranty granted or procurement risk assumed, and under the provisions of the German Product Liability Act shall be unaffected.
4. The liability for delayed delivery is governed finally and conclusively in § 9 of these Terms and Conditions.
5. Any other claims of the customer not provided for above shall be excluded.

§ 5 Limitation

1. For material defects, the customer's right to claim subsequent performance as well as its rights for reduction or withdrawal shall become time-barred three years after delivery or, in case of a contract for services, after acceptance of the goods with respect to Basler cameras and one year after delivery or acceptance as aforesaid with respect to accessories. In the event of slight negligence committed by Basler or its agents and employees and provided that no death, bodily injury, health impairment has occurred and no breach of material contractual obligations has been committed, the customer's claims for damages and expenses due to defects shall become time-barred after three years with respect to Basler cameras and after one year for accessories. The same shall apply mutatis mutandis with respect to any defect in title.
2. The statutory periods of limitation shall apply in the event of fraudulent concealment of defects, willfully conducted breach of obligations, for any claims for tort, for warran-

ties assumed with respect to the condition of an item or procurement risks assumed.

Delivery

§ 6 Scope of supply and services

The customer shall acquire the systems or components as specified in more detail in the order confirmation and, to the extent included in the scope of delivery, the operating software and documentation.

§ 7 Quality and pricing

1. If reasonable for the customer, Basler shall have the right to deviate from the technical data and performance specified in the order confirmation.
2. The customer shall be solely responsible for the compliance of all statutory, regulatory, and occupational safety provisions upon the use of the goods delivered hereunder.
3. Unless agreed otherwise, the prices quoted by Basler shall be net of any auxiliary costs such as freight, customs and packaging, exclusive of any discount or other rebates or deductions, and plus the statutory value added tax (on the purchase price) applicable on the date of delivery. The confirmed prices are valid only for the purchase of the confirmed quantity.
4. If the period between the date of conclusion of the contract and the date scheduled for delivery in whole or in part exceeds four months and if the cost of the goods to be delivered increases by more than 5 % after the date of conclusion of the contract particularly due to price increases at Basler's suppliers, then Basler shall be entitled to reasonably (i.e. based on the degree of increase in cost) increase the price for such parts of the overall delivery which are scheduled for delivery more than four months after the date of contract conclusion. If the price increase so claimed by Basler amounts to more than 5 % of the price of the overall delivery, the customer shall within two weeks following the receipt of Basler's notice to that effect be entitled to withdraw from the contract by written notice to Basler.

§ 8 Shipment; transfer of risks

1. Unless otherwise agreed to in writing, Basler's delivery shall be made ex manufacturer's works (Incoterms 2010). Packaging and shipment are performed at Basler's choice and shall be paid for by the customer.
2. The risks of loss and/or deterioration shall pass to the customer upon hand-over of the goods to the carrier, forwarding agent or other transporting person, including Basler's own resources. The same shall apply for free delivery, provided that in such case Basler shall assume liability for direct loss or damage in transit limited to the respective gross value of the goods, should such loss or damage have been caused by Basler's own transporting persons.
3. In the event the shipment is delayed for any reasons beyond Basler's control, the risks of loss and/or deterioration shall pass to the customer upon receipt of the notice of readiness for shipment.
4. The customer shall promptly, but not later than 3 days after receipt of the goods, notify Basler in writing of any damages in transit, if any, even in cases where Basler is not responsible for the transport.

§ 9 Delivery; delay in delivery; withdrawal

1. Delivery dates confirmed by Basler shall be non-binding unless expressly stated by Basler as being binding.

2. Adherence to the agreed periods and dates of delivery is subject to the timely performance of customer's contractual obligations. The period for delivery shall commence after clarification of all details regarding the execution of the order and after receipt of all documents and other information required for such execution and to be provided by the customer, as well as after receipt of any agreed downpayment, if any. The period for delivery shall be deemed adhered to also if the goods are leaving the plant or designated point of dispatch, as the case may be, or if the customer has been notified of the readiness for delivery but the goods could not be shipped in time for any other reason than a fault of Basler. The foregoing shall apply accordingly with respect to delivery dates.
3. If delivery by Basler is delayed, the customer shall notify Basler, setting a reasonable period of grace of not less than 14 days. The customer must send a written reminder when default of delivery begins.
4. After expiry of the period of grace so notified to Basler by the customer upon a delay in delivery, the customer shall be entitled to withdraw from the contract provided the customer has notified Basler of its rejection of performance upon setting said period of grace. Customer's right to withdraw shall not apply if upon the expiry of the period of grace the goods have been dispatched or are ready for shipment and Basler has notified the customer to that effect.
5. The agreed periods and dates of delivery shall be extended by the duration of any unforeseeable events beyond Basler's control such as war, threat of war, riots, use of force by third parties against persons or property, interventions by public authorities including any monetary or trade actions (e.g. economic sanctions), labor disputes at Basler or its suppliers or carriers, interruption of designated transport links, fire, shortage of raw materials (e.g. semiconductors and other electronic components), energy shortfalls, or other disruptions of Basler's or Basler's suppliers' operations. The foregoing shall also apply in cases where delivery by Basler is already delayed or if the impediment to performance already existed prior to the conclusion of contract but was unknown to Basler at that time. Basler shall promptly notify the customer of the existence of any such impediments as stated above.
6. If any delays in delivery attributable to any one or more of the events stated in § 9(5) above shall continue for a period in excess of four months, then either party shall be entitled to withdraw from the contract, provided that the customer shall have the right to withdraw from the contract only if Basler fails to declare within one week of customer's request to do so whether Basler intends to withdraw or to deliver within a reasonable period of time. Such right of withdrawal shall exist notwithstanding the aforementioned period if performance of the contract has become unreasonable for one of the parties in consideration of the delay so occurred.
7. If the customer does not have a statutory or contractual right of withdrawal and Basler nevertheless has accepted a return of the goods in writing or text form (fax, email), then Basler will charge a handling fee in the amount of 10% of the gross value of the goods.
8. Basler shall be entitled to withdraw from any contracts already concluded if the procurement of goods has become materially complicated since the time of conclusion of the contract due to disasters, acts of war or other reasons. A material complication shall be deemed to exist in any circumstances where the market price of the goods to be procured has increased by 25 % during the period between the date of conclusions of the respective contract of purchase and sale and the scheduled date of delivery.
9. If the customer defaults in the payment of an invoice for more than two weeks, a petition in insolvency has been filed

against customer's assets, the customer has initiated an individual voluntary arrangement with its creditors or ceased to make payments when due, or if Basler acquires knowledge of any other circumstances materially deteriorating the customer's creditworthiness and jeopardizing the payment of the claim owed to Basler, then Basler shall be entitled to request security by prepayment of bank guarantee (at customer's option) and to refuse delivery until such security has been provided, setting a period of not less than one week for such provision of security. After the unsuccessful expiry of a reasonable period of grace set by Basler, Basler shall still be entitled to withdraw from this and other contracts or to claim damages in lieu of performance.

10. If the customer has a right to claim damages due to delay in performance, such claim shall amount to 0,5 % for each complete week of delay, however, in the aggregate to a maximum of 5 % of the agreed purchase price in case of slight negligence on the part of Basler. If the customer intends to withdraw from the contract and/or claim damages in lieu of performance, then, after expiry of the periods set forth in § 9, the customer must set a reasonable period for delivery by Basler. If the customer has a right to claim damages in lieu of performance, such claim shall be limited to a maximum of 25 % of the agreed purchase price in case of slight negligence. If Basler accidentally becomes unable to deliver while in default, Basler's liability shall be limited to the limits of liability agreed above. Basler shall have no liability if the loss would have occurred even upon delivery in due time. Basler reserves the right to prove that the loss is actually lower.

§ 10 Acceptance and receipt of delivery

1. The customer shall not unjustifiably reject acceptance of the delivery and shall be obliged to take delivery within 8 days of the receipt of the notice of readiness for delivery. In the event of nonacceptance Basler may exercise the rights available to it by law.
2. The customer shall be obliged to accept partial deliveries of reasonable volume.
3. The customer shall be in default of acceptance even if Basler has only offered delivery by notice in writing or text form (fax, email), the provisions of sec. 294 of the German Civil Code (BGB) being waived hereby. All other statutory requirements of a default in acceptance shall remain unaffected.
4. If Basler claims damages, such damages shall amount to 15 % of the purchase price. Said damages shall be valued higher or lower if either Basler proves a higher damage or the customer proves a lower damage.

§ 11 Retention of title

1. The delivered goods shall remain the property of Basler ("Retained Goods") until the purchase price and all other claims due from the customer to Basler under the current business relationship have been paid in full. The retention of title shall remain effective even if individual claims owed to Basler are being incorporated into a current account, then balanced and the balance being acknowledged, and shall thereafter form security for such balance.
2. If the Retained Goods delivered by Basler are being processed by the customer, such processing shall be performed on behalf of Basler as the "manufacturer" within the meaning of sec. 950 of the German civil code, without creating an obligation for Basler.
3. If the Retained Goods are being combined, blended, or processed together with the customer's own products or with any third party retained goods, then Basler shall acquire a co-ownership in the new item or, as the case may be, in the blended stock in the proportion that the value of the processed Retained Goods bears to the aggregate of

the values of the other products at the time of such combination, blending or processing. Basler does not claim any interest in the value enhancement created from said combination, blending or processing.

In the event Basler's Retained Goods are combined with other items and Basler's title in the Retained Goods thereby ceases to exist (sec. 947, 948 of the German civil code), it is agreed hereby that the purchaser's title to the combined item shall pass to Basler in the amount of the Retained Goods' value and that the customer shall keep such Retained Goods in custody on behalf of Basler at no cost.

The items resulting from any such processing or combination shall constitute Retained Goods pursuant to the meaning of that term herein.

4. The goods to which Basler has retained title or co-ownership hereunder shall serve as security for any claims due to Basler in the same way as the Retained Goods originally delivered by Basler. Basler shall be entitled to revoke the authorization granted to customer for the combination, blending or processing of Retained Goods if the customer gets into default in payment towards Basler.
5. The customer hereby assigns to Basler its receivables from the resale of the Retained Goods and any goods owned by Basler together with all auxiliary rights related thereto as a security for all claims owed to Basler by the customer at the time of the resale.

In the event of a resale of goods co-owned by Basler, however, only such part of the receivable corresponding to the value of Basler's co-ownership interest shall be deemed so assigned.

The customer shall be authorized to assign its receivable from the resale under a real factoring arrangement, provided such assignment has been notified to Basler in advance and the factoring proceeds are sufficient to cover at least the value of the Retained Goods, the goods owned or co-owned by Basler, the sale of which has given rise to the respective receivable. The customer hereby assigns to Basler its receivables and other claims due to it from the factor under the sale of the receivables assigned to Basler by security; such assigned receivables and other claims shall sever as security for Basler's open claims in the same way as the original receivables. Basler hereby accepts all of the aforementioned assignments.

If the value of the receivables assigned to Basler as security exceeds Basler's claims due from the customer by more than 10 %, Basler shall be obliged upon the customer's request to release any excess security.

The customer shall be authorized to collect the receivables assigned on behalf of Basler, provided that such authorization shall cease to exist in the event that the customer defaults in its payment to Basler, in which case Basler shall be authorized in the name of the customer to notify customer's purchasers of the assignment. The customer shall be obliged to provide Basler with the information necessary to enforce its rights against customer's purchasers, including in particular but not being limited to indicating the names of such purchasers, and to furnish Basler with the required instruments and documents as well as to make available to Basler upon Basler's request written (open) deeds of assignment in each individual case. Upon customer's request, Basler shall by written notice to the customer select those receivables required as security for its net claim from the receivables assigned to it. Upon receipt of such notice by the customer, any existing assignments in excess of those selected shall be waived retroactively.

6. The customer shall be authorized to resell the Retained Goods as well as the goods owned or co-owned by Basler only in the course of customer's ordinary business and only subject to the provision that the purchase price receivable

from the resale shall vest in Basler. Said authorization shall cease to exist in the event that the customer defaults in its payment to Basler. The customer shall not be permitted to dispose of the Retained Goods and the goods owned by Basler in any other way than set forth above and shall in particular not pledge or assign the same by way of collateral.

7. The customer shall be obliged to sufficiently insure Basler's Retained Goods as well as the goods owned or co-owned by Basler against loss and damage due to fire, theft, water and similar perils and upon Basler's request to furnish Basler with proof of the valid existence of such insurance cover. The customer hereby assigns to Basler its claims for indemnity against insurance companies or other persons liable for compensation in whole or, where applicable, on a pro-rata basis.
8. Any impairment or attachment of the Retained Goods and the goods owned or co-owned by Basler as well as any seizure thereof by third parties must be promptly notified to Basler.
9. If the authorization for resale ceases to exist, the customer shall be obliged upon Basler's request to furnish Basler with information regarding the inventory of Retained Goods and the inventory of goods owned or co-owned by Basler and to surrender the Retained Goods upon Basler's request. To enforce its claim for surrender, Basler shall also be entitled after prior notice and appointment of a deadline to enter the customer's premises and remove the Retained Goods. Furthermore Basler shall have the right to dispose of the surrendered Retained Goods in settlement of its claims as soon as either Basler has withdrawn from the contract or the conditions for claiming damages in lieu of performance have been met.
10. The enforcement of the retention of title, in particular by repossession or attachment or disposal of the goods shall not constitute a withdrawal from the contract unless Basler has given express written notice to that effect.
11. Upon customer's request, Basler shall be obliged to waive its retention of title if the customer has fulfilled all claims related to the purchased goods and if reasonable security exists with regard to all other claims under the ongoing business relationship. If the realization of the securities exceeds the secured claims by more than 10 percent, Basler shall - if so requested by the customer- release securities at its own choice.

§ 12 Claims based on defects

Material defects

1. The customer shall inspect the delivered goods immediately after receipt and shall promptly but not later than 10 working days after delivery notify Basler in writing of any identifiable defects together with a detailed description thereof. Defects not immediately identifiable in the course of a proper inspection or defects appearing subsequently shall be notified by the customer in writing to Basler not later than 10 working days after discovery together with a detailed description thereof.
2. All those parts proving to be defective as a result of circumstances having occurred prior to the transfer of risks shall at Basler's option be either repaired or replaced free from defects without charge. Any such defects must be promptly notified in writing to Basler upon detection. Any parts replaced shall become the property of Basler.
3. The customer shall after communication with Basler grant Basler the time and opportunity required to perform all repairs and replacement deliveries deemed necessary by Basler; if customer fails to do so, Basler shall be released

from its liability for any consequences resulting from such failure.

4. If the complaint proves justified, Basler shall bear the cost of the replacement part including transport out of the direct costs incurred by the repair or replacement delivery. In addition Basler shall bear the costs of demounting and mounting as well as the costs of providing the necessary technicians and support staff including travel costs, where required, provided that such additional costs do not constitute an unreasonable charge on Basler.
5. The customer shall have a right to withdraw from the contract under the applicable statutory provisions if Basler - taking into account any exceptional circumstances provided for by law - fails to perform the repair or replacement delivery for a material defect within a reasonable period set by the customer. If the defect is of a non-material nature only, the customer shall only have a right to reduce the contractually agreed price. In all other respects, the right to reduce the contractually agreed price shall be excluded.
6. Basler in particular does not assume any liability in any of the following circumstances: unsuitable or improper use, inaccurate assembly or commissioning by the customer or third parties; wear and tear; incorrect or negligent handling; improper maintenance; unsuitable equipment; defective construction works; unsuitable building lot; chemical, electrochemical, or electrical influences to the extent Basler is not accountable for such circumstances.
7. If a defect is repaired improperly by the customer or a third party, then Basler shall have no liability for any consequences resulting from such improper repair. The foregoing shall also apply to any modifications of the delivered goods performed without the prior consent of Basler.
8. In all other respects, Basler does not assume any warranty as to quality, durability or otherwise and does not assume any procurement risk unless Basler has expressly assumed any such warranty or risk so specified in writing or text form (fax, email).

Defects in title

9. In the event the use of the delivered goods results in an infringement of any industrial property rights or copyrights in Germany, Basler shall at Basler's expense generally provide the customer with the right to further use of the delivered goods concerned or modify the delivered goods in a manner reasonable to the customer, so that the infringement ceases to exist.
Should Basler be unable to do so in an economically reasonable way or within a reasonable period of time, then the customer shall be entitled to withdraw from the contract. If the aforementioned conditions are met, Basler shall also have a right to withdraw from the contract.
10. Basler shall be obliged as aforesaid only if:
 - The customer promptly informs Basler of any asserted claims for the infringement of industrial property rights or copyrights;
 - The customer assists Basler to the extent reasonable in the defense of such claims or, as the case may be, allows Basler to perform the above stated modifications;
 - Basler is reserved the right to perform all defensive measures including any extrajudicial settlements;
 - The defect in title does not result from an instruction given by the customer; and
 - The infringement has not been caused by any unauthorized modification or noncontractual use of the delivered goods by the customer.

§ 13 Software use

To the extent the scope of supply includes software, the customer is hereby granted a non-exclusive right to use the delivered software including the related documentation. Such software is provided for use with the delivered item specified therefore.

The customer shall be allowed to reproduce, adapt, translate the software or reconvert it from the object code into the source code only to the extent permissible by applicable law (sections 69 et seq of the German Copyright Act (UrhG)). The customer undertakes and agrees not to remove any manufacturer's data - including in particular but not being limited to any copyright notices - or to alter the same without the express prior consent of Basler.

All other rights in and to the software and related documentation, including any copies thereof, shall remain with Basler or the respective software vendor. No granting of sub-licenses shall be permitted.

Repairs

§ 14 Scope of services

Beyond its warranty obligations, Basler shall render repair services against payment on the basis of a separate order confirmation. If a repair cannot be performed on site, the transport of the item to be repaired to and from Basler's manufacturing plant shall be carried out at customer's expense and risk.

§ 15 Data privacy

The customer is hereby advised in accordance with sec. 33 of the German Federal Data Protection Act that his or her personal data will be stored and processed by Basler. Such processing of data will be performed in compliance with said act.

§ 16 Severability

Should any of the individual provisions of the contract or these Terms and Conditions be or become invalid or unenforceable, or should a gap in this agreement be discovered, then the validity and enforceability of the remaining provisions thereof or hereof, as the case may be, shall not be affected thereby. Such invalid or unenforceable provision shall be replaced or, as the case may be, such gap shall be filled by a legally valid and enforceable provision accommodating or coming as close as possible to the intent of the parties as apparent from this agreement as well as to the economic intent and purpose of the invalid or unenforceable provision and the overall agreement. The same shall also apply where the invalidity or unenforceability of a provision is based on the determination of performance or time; in such cases a legally permissible measure of performance or time shall be agreed which comes as close as possible to the intent of the parties.

§ 17 Applicable law; place of performance; jurisdiction

1. The entire legal relationship between Basler and the customer shall be exclusively governed by and construed under German law to the exclusion of the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG).
2. The conflict of law provisions shall not apply. All disputes between Basler and the customer shall be subject to the jurisdiction of the factually and locally competent courts with regard to Basler. Basler shall be free, at its option, to also sue the customer in a jurisdiction competent with regard to the customer. Any statutory

provisions on exclusive jurisdiction, if any, shall remain unaffected.

3. The place of performance with regard to the delivery of the purchased goods as well as for all other mutual claims shall be Basler's principle place of business.

Effective as of: 17th May 2016