



General Terms and Delivery Conditions

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Art. 1 Validity of the General Terms and Delivery Conditions

1. The General Terms and Delivery Conditions of LOBO electronic GmbH (in the following called LOBO) are exclusive. Conflicting or differing condition of the customer are not acknowledged, unless LOBO confirms these explicitly and in writing. The General Terms and Delivery Conditions are also valid if LOBO carries out deliveries or services to the customer without reservation with knowledge of conflicting or differing conditions of the customer.
2. All agreements between LOBO and the customer pertaining to the fulfilment of this contract are stated in writing in this contract.
3. The General Terms and Delivery Conditions are only valid regarding enterprises according to Art. 310, Para. 1 BGB.

Art. 2 Software delivery

Should a delivery include LOBO software products, the current version of the "LOBO Software Licensing Contract for Operating Systems and Laser Shows" becomes applicable as a part of the General Terms and Delivery Conditions.

Art. 3 Completion of the contract

1. Offers by LOBO in brochures, advertisements etc. are provisional and subject to change – also concerning stated prices. If not otherwise agreed in writing, LOBO considers individually compiled offers valid for 30 calendar days.
2. If an order qualifies as an offer according to Art. 145 BGB, LOBO may accept it within 2 weeks.
3. Additional agreements, order expansions or additions are only considered binding, if LOBO confirms them in writing.
4. Should the time between completion of the contract and the delivery date exceed 4 months, LOBO may raise the agreed prices according to a reasonable estimation regarding increased costs, wages or taxes, but not higher than 10%. Upon customer's demands, LOBO must prove the cost increase. This does not apply if LOBO is responsible for a delay.

Art. 4 Delivery time

1. The start of the delivery periods is subject to clarification of all technical questions.
2. Compliance with the delivery obligation is further subject to the timely and proper fulfilment of the customer's obligations. All rights to defence of the unfulfilled contract are reserved.
3. Should the customer be in default of acceptance or violate any other contributory obligations, LOBO is entitled to demand compensation for all damages incurred, including any additional expenditures. Further claims reserved.
4. In case of the provisions of Art. 3, the risk of accidental destruction or deterioration of the objects of delivery lies with the customer from the time he comes into default of acceptance or payment.
5. According to legal requirements LOBO is liable, if the contractual basis is a purchase for delivery at a fixed date according to Art. 286, Para. 2, No. 4 BGB or Art. 376 HGB. LOBO is also liable according to legal requirements, if the customer can claim that his interest in a further performance of contract is in discontinuance due to a default in delivery on the part of LOBO.
6. LOBO also assumes liability according to legal requirements, if the default in delivery is due to an intentional or negligent violation of contract. A violation by a representative or an agent of vicarious liability is to be attributed to LOBO. If the default in delivery is not based on a contract violation in the realm of responsibility of LOBO, the damages liability is limited to the

foreseeable, typically occurring damage.

7. LOBO also assumes liability according to legal requirements if the default of delivery occurs due to a culpable violation of an essential contractual obligation. In this case liability is limited to the foreseeable, typically occurring damages.
8. Moreover, in the case of a delay in delivery, LOBO is liable to pay a lump sum in delay compensation to the amount of 0.5% of the delivery value per full week, but not exceeding a maximum of 5% of the delivery value.
9. Other legal claims and rights of the customer are reserved.

Art. 5 Prices – Terms of payment

1. If the order confirmation does not state any information to the contrary, prices are "ex factory" excluding packaging, which is charged separately.
2. VAT is not included in the prices. It is stated on the invoice in the legally required amount on the day of invoicing.
3. Any cash discounts are subject to special written agreements.
4. If the order confirmation does not state any information to the contrary, the purchase price must be paid in full within 8 days from the date of the invoice. Legal requirements apply regarding the consequences of default in payment.
5. The customer has the right to counterbalance only if his claims are legally effective, uncontested and acknowledged by LOBO. Moreover he is entitled to execute his right of retention, if his counter-claim is based on the same contractual relationship.

Art. 6 Risk transfer – Packaging costs

1. If the order confirmation does not state any information to the contrary, delivery is agreed upon "ex factory".
2. Packaging for transport and all other purposes according to packaging regulations are not taken back. Pallets are excluded. The customer is obliged to dispose of the packaging at his own expense.
3. If the customer wishes, LOBO will cover the delivery with transport insurance. The costs are charged to the customer.

Art. 7 Reservation of proprietary rights

1. LOBO reserves the proprietary rights to the object(s) of delivery until all payments are received. If the case of contract violations by the customer, particularly regarding default in payment, LOBO is entitled to reclaim the goods. The reclamation by LOBO does not constitute a withdrawal from the contract, unless LOBO declares this explicitly and in writing. The seizure of goods by LOBO always constitutes a withdrawal from the contract. After reclamation, LOBO has the right to use the reclaimed goods. The proceeds are balanced with the customer's obligations – after appropriate working costs.
2. The customer is obliged to treat the purchased goods with care. Special obligations pertain to sufficient insurance against fire, water damage and theft, which must be taken out to replacement value. If maintenance or inspection are necessary, the customer is required to execute these in due time and at his own expense.
3. In the case of seizure or other interventions by third parties, the customer must inform LOBO immediately in writing, so that LOBO may immediately institute proceedings according to Art. 771 ZPO. If the third party is unable to compensate LOBO for the costs incurred inside and outside a court of law according to Art. 771 ZPO, the customer is liable for the compensation of LOBO's loss.

4. The customer has the right to sell the goods according to normal business practices. However, he is at present transferring all claims to the amount of the invoice value (including VAT) to LOBO which he derives from the resale to his customers or third parties. The customer reserves the right of collection of these claims even after the transfer. LOBO's right of collection remains unimpaired. However, LOBO commits to not collecting on the claim, as long as the customer keeps up with his payments from the resale proceeds, does not come into default in payment and, particularly, does not initiate proceedings of bankruptcy, settlement or insolvency or cease payment. In these cases, LOBO can demand that the customer disclose all transferred claims and their debtors, state all information relevant to collection, hand over the pertinent documentation and informs the debtors (third parties) of the transfer.
5. The use or reconstruction of the goods by the customer is always performed on behalf of LOBO. If the goods are used with other items not belonging to LOBO, LOBO acquires co-ownership of the new item according to the relative value of the object(s) of delivery (invoice value including VAT) to the other items used at the time of use. For the object being created by use of the delivered object(s) all other stipulations pertinent to the qualified delivery apply.
6. If the delivered goods are combined inseparably with other items not belonging to LOBO, LOBO acquires co-ownership of the new item according to the relative value of the object(s) of delivery (invoice value including VAT) to the other items combined at the time of combination. If the combination is executed in a way that the customer's item is to be seen as the main item, it is agreed that the customer transfers proportionate co-ownership to LOBO. The customer keeps the property or partial property of LOBO for LOBO.
7. The customer also transfers to LOBO the claims against third parties, which are the result of a combination of the delivered goods with property, to secure LOBO's claims against him.
8. LOBO is obliged to exempt securities to which it has a claim, upon the customer's demand, if the value of the securities to be realized exceeds the claims to be secured by more than 10%. The choice of securities to be exempt is made by LOBO.

Art. 8 Guarantee

1. The customer's claims in case of defects require that he has executed his obligations of investigation and reprimand in a proper manner, according to Art. 377 HGB.
2. If the delivered item is defective, the customer has the right to choose between either repair or delivery of a new non-defective item. In the case of repair, LOBO is not obliged to accept expenditures incurred by the repairs according to Art. 439 Para. 2 BGB, if these are increased by the fact that the delivered item has been transported away from the place of performance.
3. Should the repairs be unsuccessful, the customer has a choice of demanding either reduction or withdrawal. Repairs are deemed unsuccessful only after the second attempt failed, unless the nature of the item or defect or other circumstances lead to different results.
4. According to legal requirements, LOBO is liable if the customer asserts damage claims, based on intention or negligence including intention or negligence by LOBO's representatives or agents of vicarious liability. If LOBO is not charged with intentional contract violations, damage claims are limited to the foreseeable, typically occurring damages.
5. According to legal requirements, LOBO is liable, if LOBO culpably violates an essential contractual agreement. In this case liability is limited to the foreseeable, typically occurring damages.
6. If the customer has the right to claim compensation of damages instead of services, LOBO's liability, also according to Para. 3, is limited to the foreseeable, typically occurring damages.
7. Liability because of culpable damages to life, body or health remains unimpaired. This also applies to conclusive liability according to product liability law.
8. If the above does not state otherwise, liability is excluded.
9. The limitation period for defect claims is 12 months, starting with the risk transfer.
10. The limitation period in the case of delivery recourse according to Art. 478, 479 BGB remains unimpaired. It is 5 years starting with the delivery of the defective item.

11. All guarantee claims are invalid if the customer or a third party alters the delivered item in any way or replaces any parts, unless the alteration or replacement was not authorized by LOBO.

Art. 9 General liability

1. Liabilities for damages exceeding provisions in Art. 8 are – without consideration of the legal nature of the claim – excluded. This applies in particular to damage claims resulting from culpability at the time of contract closure, due to other violations of obligations or due to claims of property damages according to Art. 823 BGB.
2. In so far as damage liability against LOBO is excluded or limited, this also applies to personal damage liability by employees, workers, staff members, representatives and agents of vicarious liability associated with LOBO.

Art. 10 Authorization

1. The customer is responsible for compliance of delivered systems for use (e.g. laser systems) with official requirements.
2. The customer is informed about the fact that the installation and commission of laser systems must be announced to and authorized by the appropriate authorities.
3. The customer is informed of the fact that OEM components are delivered for installation into general systems and thus do not or do only in part comply with CE requirements.

Art. 11 Place of jurisdiction – Place of performance

1. If the customer is a merchant, LOBO's place of business is the place of jurisdiction. LOBO reserves the right to file a lawsuit against the customer with the court at his place of residence.
2. The laws of the Federal Republic of Germany apply. Application of UN purchasing laws is excluded.
3. If the order confirmation does not state otherwise, LOBO's place of business is the place of performance.

As of November 2002