



**General Terms and Conditions
of Digital Video Competence GmbH (DVC)
(as revised in December 2010)**

I. Scope of the Contract

1. These General Terms and Conditions shall apply for any present and future business relationships of DVC with entrepreneurs (Section § 14 of the German Civil Code), legal persons under public law, and special funds under public law subject to Section 310 of the German Civil Code, unless otherwise expressly agreed.
2. Such business relationship shall be based solely on DVC's General Terms and Conditions. Diverging, conflicting or additional general terms and conditions of the Customer are not part of this Contract, even if brought to our knowledge. Here it is irrelevant which terms and conditions were first sent.
3. Covenants, promises or other declarations shall only be binding on confirmation in writing by DVC, also if made by DVC's employees. This shall also apply to any alterations of these General Terms and Conditions and any arrangements agreed upon subsequent to this Contract.

II. Conclusion of Contract

1. The offers of DVC are not binding. Technical alterations can be made within reasonable limits.
2. By placing the order the Customer commits himself to buy the product ordered. DVC shall have the right to accept the offer to conclude a contract based on the order within three weeks after receipt by DVC. Such acceptance is to be made either by written confirmation or by delivering the product to the Customer.
3. The conclusion of contract is subject to correct and timely delivery to DVC. This shall only apply if failure in delivery is not caused by DVC, including but not limited to a covering transaction with the subcontractor which is inconsistent. In case of such lack of availability DVC shall promptly inform the Customer about this, and any advance payment by the Customer shall be reimbursed immediately.

III. Prices, Terms of Payment

1. Prices are plus VAT (in the amount prescribed in the respective legal regulation) and goods are packed ex works plus transport costs. Insurance shall only be taken out if expressly requested by the Customer and at his expense.

2. Invoices for the delivery of goods are due for payment 14 days after the date of invoice. Invoices on which work performed is charged as well shall be due immediately without deductions.
3. During delay the Customer shall pay interest on the overdue sum amounting to 8 percent points above the respective base rate. DVC reserves the right to prove a higher damage due to delay and to assert such damage.
4. Counterclaims can only be offset by the Customer if they are accepted by DVC and recognised by declaratory judgement. A right of retention can only be asserted if the counterclaim recognised by declaratory judgement or accepted by DVC is based on the same contractual relationship.
5. The acceptance of cheques and bills of exchange shall only be possible if the Parties have either agreed accordingly, only on account of performance, and provided that such cheques and bills of exchange are discountable. Discount and bill charges and value added tax accrued shall be borne by the Contracting Party.
6. In case of a material deterioration of the Contracting Party's assets after conclusion of the Contract which might affect DVC's claim for consideration, DVC shall be entitled to refuse its contractual obligations until the Contracting Party has executed its consideration or provided security for such consideration. This shall also apply if a deterioration of DVC's assets existed already at the time of the conclusion of the Contract and becomes known after the termination of the Contract, if such fault is not attributable to DVC.

If the Contracting Party fails to execute its consideration or to provide a security within a period of two weeks after DVC's written request, DVC shall be entitled to terminate the Contract.

IV. Delivery, Terms for Delivery

1. Dates of delivery shall only be binding after DVC's written confirmation or if agreed on the basis of a written contract.
2. DVC's confirmation of the order shall be authoritative for the quantity of the delivery. Partial deliveries made by DVC are admissible and can be accounted separately.
3. The Contracting Party shall be entitled to rescind the Contract if the date of delivery, which is not binding, has already been exceeded by more than three weeks and it sets a period of grace for three more weeks in writing and threatens to refuse the goods.
4. In case of delay of delivery due to force majeure, industrial action, operational breakdown, including such delay on the part of the subcontractor etc., DVC shall be entitled to postpone such delivery as long as such impairment of the performance caused by such circumstances lasts. If such impairment causes a postponement of performance for more than four months, the Contracting Party shall be entitled to rescind the Contract. In case of a con-

tinuous and final impediment of the Contract caused by such impairment DVC shall be discharged from its obligation to perform.

V. Place of Performance, Passing of Risks

1. Place of performance for any supply commitments or financial obligations resulting from the Contract is DVC's office.
2. The risk of accidental loss and accidental deterioration of the goods shall pass to the Contracting Party upon delivery, in case of sale by delivery to the forwarding agent, carrier, or any person or institution designated for the shipment.
3. Delivery shall be deemed to have taken place even in case of any default of acceptance by the Contracting Party.

VI. Retention of Title

1. Until full settlement of any obligation resulting from a current business relationship, regardless of any legal ground, the goods delivered shall be owned by DVC subject to retention of title.
2. The Contracting Party agrees to take good care of the goods, to take out sufficient insurance for them and to maintain such insurance. In case of a loss towards the insurer the Contracting Party shall assign any claims to which it is entitled to DVC as of now, insofar as these relate to the ownership of DVC. DVC shall accept such claims.
3. The Contracting Party shall be entitled to resell the goods in the ordinary course of business. The Contracting Party shall assign to DVC as of now any claims of the invoiced amount which accrue to it due to the resale to a third party, while DVC shall accept such claims. In case of a cause justified by facts the authorisation to resell shall be revocable, including but not limited to a delay of payment on the part of the purchaser subject to retention of title.
4. The Contracting Party shall be entitled to collect the claims. However, DVC reserves the right to collect the claims itself if the Contracting Party does not meet its obligations to pay properly and fails to pay. In such case the Contracting Party shall be obliged to give DVC any information and documents necessary to collect the claim. DVC shall be entitled to disclose the assignment towards the client of the Contracting Party.
5. As long as retention of title exists any dispositions interfering with the rights of DVC require DVC's written consent. This shall not affect the right to resale in the ordinary course of business.
6. The Contracting Party shall be obliged to immediately notify DVC of third party attachment to the goods, such as seizure, as well as any damage or destruction of the goods.

The Contracting Party shall also provide immediate notice of changes in possession as well as own change of office.

7. In case of lack of conformity with the Contract on the part of the Contracting Party, including but not limited to delay in payment or breach of obligations subject to 2 and 6 of this Section, DVC shall be entitled to rescind the Contract and to demand the return of the goods. This shall not affect DVC's claims for damages.

VII. Duty to examine and notification of defects

1. The Contracting Party shall be obliged to examine the goods delivered in respect of obvious defects and to notify DVC in writing about such defects within one week after receipt of the goods. Timely despatch shall be sufficient in order to observe the time limit. Obvious defects are the lack of handbooks, substantial and easily visible damage to the goods, as well as the delivery of other items or the delivery of smaller quantities than agreed upon.

2. In respect of defects which become obvious subsequently DVC shall be notified in writing within two weeks after such defects have been discovered.

3. In case of the Customer's violation of such duty to examine and to make a complaint in respect of defective goods the goods are deemed to have been accepted as far as the defect is concerned.

4. The Contracting Party shall bear the burden of proof for any claims, including but not limited to the defect as such, the point of time of the determination of the defect, and the timely complaint in respect of the defective goods.

VIII. Warranty

1. Initially DVC shall warrant for defects of the goods supplied, handbooks and other documents at its option either by rectification of the defect or by a substitute delivery. In case of a substitute delivery the Contracting Party shall be obliged to return the defective goods.

2. If it is not possible to remedy the defect within an appropriate time limit or if the rectification of the defect or a substitute delivery is not possible due to any other reason, the Contracting Party at its option, can require a price reduction or withdrawal of the Contract. However, in case of minor lack of conformity with the Contract, including but not limited to minor defects, the Contracting Party shall not be entitled to rescind the Contract.

A failure of subsequent performance can only be assumed if DVC was granted sufficient time for such subsequent performance or a substitute delivery and if this did not result in the success intended, or if such subsequent performance or a substitute delivery would have been possible, but had been refused or unreasonably withheld, or in case of reasonable doubts regarding the chances of success, or in cases of unreasonableness due to any other reasons.

3. There shall be no warranty if the products are manipulated or altered by the Contracting Party or third parties, including but not limited to use of unauthorised accessories and/ or unauthorised spare parts, and improper use or storage of the goods, if and as far as a possible defect can be shown to be attributable to a causal relationship to same.

4. Notification of obvious defects shall be made in writing within one week after reception of the goods; otherwise the assertion of a warranty claim shall be excluded. Timely dispatch shall suffice for an observation of the time limit. The burden of proof for any prerequisite for a claim shall rest with the Contracting Party, including but not limited to the defect as such, the point of time when such defect was discovered, and whether notification of the defect was made in due time.

5. If the Contracting Party chooses to rescind the Contract due to defect of title or on account of quality, it shall not be entitled to claim damages due to such defect.

If the Contracting Party chooses damages, the goods shall remain with the Contracting Party if this is reasonable. The damages shall be restricted to the difference between purchase price and the value of the defective goods. This shall not apply if such violation of contract was caused fraudulently.

6. Such limitation period regarding breach of warranty shall be one year after delivery of the goods.

7. As regards the condition of the goods the product specification of the manufacturer shall be deemed to have been agreed upon in principle. Statements in public, recommendations or advertising of the manufacturer shall not constitute statements as to the condition of the goods according to the Contract.

8. DVC shall grant no legal warranty towards the Contracting Party. This shall not affect the manufacturer's warranties.

9. If defects only relate to a part of the delivery or specific devices, the Contracting Party shall be obliged to accept the remaining part of the delivery if it is possible to subdivide the delivery. In this case such partial delivery shall be deemed an independent delivery. This shall not apply if the Contracting Party is not interested in the partial delivery.

IX. Liability

1. Claims for damages against DVC, its employees or vicarious agents, regardless of the legal grounds, including but not limited to any claims due to delay, impossibility, culpa in contrahendo, consequential damage caused by a defect, negligent violation of the obligation to rectify defects, and tortious acts due to a slight negligent violation of immaterial contractual obligations shall be excluded.

Claims for damages due to a slight negligent violation of a contractual obligation shall apply only to the predictable direct average damage typical for the contract.

2. The above limitations of liability shall neither affect the Contracting Party's claims due to product liability, nor in the event of death, personal injuries and injuries to health attributable to DVC or its vicarious agents.

3. Claims for damages due to a defect shall become statute-barred one year after delivery unless DVC is charged with fraudulent intention.

X. Place of Jurisdiction, Governing Law, Severability

1. This Contract shall be governed by the laws of the Federal Republic of Germany. The regulations of the uniform UN Sales Convention (CISG) shall be excluded.

2. Exclusive jurisdiction for any disputes arising out of this Contract is Munich, Germany. This shall also apply if the Contracting Party has no general place of jurisdiction in Germany or the office, residence or common abode of the Contracting Party are unknown at the time of filing a lawsuit.

3. If individual provisions of this Contract, including these General Terms and Conditions, should become invalid in whole or in part this shall not affect the validity of the remaining provisions. If any provision is in whole or in part invalid the legal regulations shall be applicable. This shall also apply in case of any lack of regulation.

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