

Falco Systems BV Standard Terms and Conditions of Sale

1. Scope of these Terms

The Terms and Conditions of Sale of Falco Systems ("Terms") contained herein will apply to all quotations and offers made by and purchase orders accepted by Falco Systems. All sales made by Falco Systems are covered by these Terms, except for parts of these Terms that conflict with a Sales Agreement separately set up and signed by both Falco Systems and the Buyer. The placement of an order by the Buyer implies that the Buyer accepts the Terms and conditions of these Terms. This holds, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication, or by acceptance and payment of products ordered from Falco Systems. Only in writing, signed by a Falco Systems representative, can any changes to these Terms be made that become binding to either party.

Failure by Falco Systems to exercise or enforce any rights under these Terms do not invalidate any such rights nor does it block the exercise or enforcement thereof at any time or times thereafter.

2. Price and payment

Prices are subject to change on thirty (30) days notice to the Buyer, unless otherwise agreed upon in writing by Falco Systems. All prices exclude taxes and import duties, and such taxes and duties shall be paid by the Buyer if required. Prices quoted by Falco Systems are those valid at the date of quotation and subject to variation by Falco Systems.

Falco Systems requests payment in advance for all sales unless a special agreement has been made as explained in paragraph 1 of these terms. Unless otherwise agreed in writing, all payments are to be in euros. When Falco Systems has to bring in legal action to collect delinquent accounts, the Buyer agrees to pay reasonable cost of suit and attorneys fees.

3. Export and delivery

The products may be delivered by Falco Systems in more than one shipment and these may carry a separate invoice. Falco Systems is allowed to ship products in advance of the agreed shipping date. Falco Systems does not accept liability for any loss arising from delay in the delivery of products unless otherwise agreed in writing before or at the time the order was placed by the Buyer.

Transportation and insurance charges from Falco Systems' facility to Buyer's facility shall be paid by Buyer to Falco Systems as written on the quotation and invoice corresponding to the order, in addition to the purchase price of the Product, unless otherwise agreed to in writing by Falco Systems. Falco Systems will select the carrier.

The risk of loss and damage passes to the Buyer as soon as the products have been placed with a transport agent. Within ten (10) days after the receipt of the goods delivered by Falco Systems, the Buyer should notify Falco Systems of any visible defects, quantity errors or incorrect shipment. Otherwise, the Buyer loses the right to return products on the basis of such defects, errors or shipment. Falco Systems remains owner of the products delivered until the Buyer's final payment for the products has been received by Falco Systems.

Buyer agrees to fully comply with applicable export laws and regulations, including but not limited to the European Union, and other countries; and hereby assure Falco Systems that, unless prior authorization is obtained from the competent government agency, Buyer does not intend and shall not knowingly export or re-export, directly or indirectly, any products, technology or technical information received from Falco Systems in contravention of any of such laws and regulations.

4. Cancellation of orders

Upon written notice to Falco Systems, any order may only be cancelled, in whole or in part, because of Falco Systems' failure to deliver products by the latest shipping date on the quotation. Cancellation by the Buyer because of Falco Systems' late delivery shall be effective only upon Falco Systems' failure to deliver the products ordered within a reasonable period of time, but not less than thirty (30) days after receipt by Falco Systems of a written notice of the delivery being late. Falco Systems is not liable for any losses (financial or otherwise) of the Buyer caused by the late delivery or cancellation of the order.

If acts of civil or military authority, war, riots, the elements, shortages of materials, acts of the Buyer, or any other causes beyond the reasonable control of Falco Systems cause a delay, Falco Systems shall not be liable for any damage or penalty for delay in delivery or for failure to give notice of the delay.

Falco Systems has the right to cancel any order without notice to the Buyer in the event that the Buyer becomes insolvent, goes bankrupt, or can reasonably be expected to be unable to meet its financial obligations.

5. Limited warranty

The products of Falco Systems are guaranteed to be free from defects in materials and workmanship and shall conform to Falco Systems' published specifications or other specifications accepted in writing by

Falco Systems for a period of one (1) year from the date of shipment of the products.

If any product of Falco Systems proves defective during this warranty period, Falco Systems' sole obligation is, at its option, either to repair the defective product without charge for parts and labour, or to provide a replacement for the defective product. It explicitly excludes any other warranties including but not limited to merchantability or fitness for a particular purpose.

Falco Systems shall make the final determination as to whether its products are defective. The warranty does not apply to any products which have been subject to misuse, neglect, accident or modification, or have been soldered or mounted in such a way that they cannot be tested under normal test conditions. To return a product under warranty, the Buyer should first get a written approval from Falco Systems to return the product. To benefit from the guarantee, the Buyer must send the product at his cost to Falco Systems, who will bear the costs of returning the product. This guarantee does not apply to spare parts, ongoing services, or consumables. The replacement of items does not have the effect of extending the warranty period.

Falco Systems does not warrant that the operation of the Product will be uninterrupted or error free.

6. Limited liability

Neither Falco Systems nor the Buyer shall be liable for incidental or consequential damages arising out of the sale, installation or use of any Falco Systems product. This includes but is not limited to direct or indirect damage, personal injury, damage to goods other than the product, loss of profits or lost earnings, damage arising from a deterioration or loss of devices under test or data recorded by the Buyer.

The aggregate liability of Falco Systems to the Buyer when Falco Systems has any liability for breach of contract, breach of any implied condition, warranty or representation shall be limited in respect of any occurrence or series of occurrences to the contractual value of the products or services that are the subject of the contract.

7. Intellectual property

Falco Systems retains its intellectual property. The sale of any products under these Terms does not implicate the transfer of any license to the technology used in the product to the Buyer. The Buyer shall obtain no interest in any design or other tooling used in the production of any Falco Systems product. Falco Systems retains the copyright of all documents, catalogues and plans supplied to the Buyer in conjunction with the contract. Unless otherwise agreed in writing, software integrated into the product is the property of the manufacturer, and the Buyer only benefits from users' rights as stated in the corresponding usage licence.

8. Subcontracting

Falco Systems shall be entitled at all times to subcontract any part of the work or services to be provided under the contract as it deems necessary or desirable.

9. Life support / Military use policy

Falco Systems' products are not authorized for military use or as a critical component in life support devices or systems without the express written approval of the chief executive officer of Falco Systems. Life support devices or systems are devices or systems which, (a) are intended for surgical implant into the body, or (b) support or sustain life, and whose failure to perform when properly used in accordance with instructions for use provided in the labelling, can be reasonably expected to result in a significant injury to the user. A critical component is any component of a life support device or system whose failure to perform can be reasonably expected to cause the failure of the life support device or system, or to affect its safety or effectiveness. Buyer shall indemnify, defend and hold Falco Systems harmless from and against any and all claims, damages, liabilities, costs and expenses incurred by Falco Systems resulting from any claims, actions or proceedings brought against Falco Systems arising out of any unauthorized use of products in breach of this provision.

10. Notices

Any notice hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its last known address. Notice to Falco Systems shall be to Falco Systems BV, Remisestraat 1, 2225 TH, Katwijk aan Zee, The Netherlands.

11. Applicable law

In the event of litigation, the court in the jurisdiction which is home to Falco Systems' registered address has sole competence. Unless otherwise agreed in writing, the terms and conditions contained herein shall be governed by and construed under the laws of The Netherlands.