

I. General

1. The General Terms and Conditions of Supply and Payment (GTC) as set out below shall apply exclusively to all our deliveries - including future deliveries - including consulting and other ancillary services, provided that the customer is an entrepreneur, a legal entity under public law or a special fund under public law. Any conditions on the part of the customer are hereby contradicted.

2. Any agreements, especially if they amend these terms and conditions, require our written confirmation to become effective. Any waiver of this requirement for the written form can only be made by us in writing.

3. We do not assume any guarantee or procurement risk for the deliveries that we owe. All obligations on our part are subject to the correct supply by our own suppliers. All our offer documents such as illustrations, drawings, weight and dimensional data are to be considered as approximations, unless we have expressly indicated in writing that they are binding.

4. Subject to Item I.5, all our documents, in particular our brochures, catalogues, price lists, cost estimates, illustrations, drawings and calculations shall remain our property. Without our written consent, these documents may not be reproduced or made available to third parties. In the event that the customer should violate this, we are entitled to demand a lump-sum compensation of 5% of the possible contract price. This does not affect the possibility of claiming further damages. The customer shall be granted the right to prove that we have not incurred any damage or that the damage incurred by us is significantly less than the lump-sum.

5. The customer must ensure that our product information (e.g. instructions for use, maintenance and care) is sent to the respective recipients (e.g. the end users). Upon written request, we shall provide the customer with the necessary documents - insofar as these have not already been supplied by us.

6. Any samples prepared at the request of the customer shall be charged separately. We are not under any obligation to accept returns.

7. All industrial property rights, especially patent rights and copyrights as well as any associated usage rights, shall remain in our possession.

8. An assignment of the customer's rights in connection with contracts concluded with us is only permissible if we have given our prior written consent.

II. Prices, payments, collateral

1. Our prices are in EURO ex stock including unloading at the warehouse, excluding packaging, which is charged separately and is not returnable.

2. Should there be any significant changes with regards to cost factors, in particular wages, cost of materials or freight costs, we may adjust the agreed upon prices to a reasonable extent in accordance with the influence exerted by the changed cost factors. If for reasons for which the customer is responsible, the delivery does not take place on the agreed date or within the agreed time and if more than 4 months have passed since the conclusion of the contract, we are entitled to charge our catalogue prices as applicable at that time.

3. The minimum order value is EUR 150.00, and EUR 75.00 for SATO Affiliate Partners. Should the order value be less than EUR 150.00, or EUR 75.00 in the case of Affiliate Partners, a minimum quantity surcharge of EUR 50.00 will be added.

4. Our claims are to be transferred without deduction within 14 days of the invoice date to one of the bank accounts provided.

5. If there is a default in payment or if our claims are at risk due to a deterioration in the customer's creditworthiness, we are entitled to make all our outstanding claims immediately payable and due, regardless of the term of any bill of exchange, and/or to demand securities thereby. In addition, we reserve the right to fulfil any outstanding deliveries only against advance payment or against the provision of securities. Should the customer refuse advance payments or the provision of securities, we are entitled to withdraw from the contract and to demand compensation for the resulting damages.

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Furthermore, we are also entitled, without withdrawing from the contract, to prohibit the combining, processing, restructuring or resale of the goods delivered by us (even if they have already been combined, processed or restructured), to revoke the collection authorisation pursuant to Item V.7. and to demand that the goods be returned at the customer's expense, without the customer being entitled to a right of retention or any similar right. We will dispose of any goods taken back by us by way of private sale and the proceeds less any costs incurred will be set off against the claims due to us from the customer.

6. Should the customer be in default of payment and even after expiry of a grace period set by us the full settlement of the outstanding claims is not effected, we shall be entitled, in addition to our other rights, to demand 20% of the order value as lump-sum compensation instead of fulfilment. We shall reserve the right to prove that the damage is more extensive. The customer shall be granted the right to prove that we have not incurred any damage or that the damage incurred by us is significantly less than the lump-sum.

7. The customer is only entitled to a retention right and an authorisation to offset claims insofar as the counterclaims are undisputed or have been legally established.

8. We shall accept bills of exchange and cheques only upon written agreement and only on account of payment. The customer shall bear the discount charges and all other costs arising from the acceptance or encashment of the bill of exchange or the cheque.

III. Delivery time

1. A delivery time (delivery dates or delivery periods) that has been agreed upon is to be regarded as an approximate and is only valid if all details of the order are clarified in due time and if the customer fulfils all his obligations in a timely manner (in particular if a deposit that has been agreed upon is received in due time). Delivery periods shall be based on the date on which the order confirmation is sent. Delivery times shall be deemed to have been met if the delivery item leaves the warehouse within the respective delivery time or - in the event that the goods cannot be dispatched on time through no fault of our own - we notify the customer that the goods are ready for dispatch.

2. Should we be prevented from fulfilling our obligations on time for reasons beyond our control, the delivery time shall be extended by the duration of the impediment as well as a reasonable start-up time.

Events that are beyond our control in the above sense shall include, apart from cases of force majeure, strikes and lockouts in particular as well as improper delivery by our own suppliers for which we are not at fault. In these cases we can withdraw from the contract in whole or in part with regard to the part that has not yet been fulfilled. In these cases, the customer shall be entitled to withdraw from the contract under the statutory conditions after a reasonable grace period which has been agreed upon in writing has expired to no avail, if the acceptance of the goods should become unreasonable for him as a result of the delay.

3. In the event that we are in delay, the customer may withdraw from the contract after a reasonable grace period which he has set in writing has expired to no avail. If we have been granted a grace period, this shall be extended by the period of time during which we are prevented from rendering the service for reasons for which we are not responsible within the meaning of sentence 2 of Item 2 above.

4. In case of default of acceptance on the part of the customer, we are entitled to charge the costs incurred as a result of storage - at least, however, 0.5% of the invoice amount for each month of storage. The customer shall be granted the right to prove that we have not incurred any storage costs or that the storage costs incurred are significantly lower than the lump-sum. This shall not affect any of our further rights existing under the law (in particular as a result of default of acceptance).

IV. Delivery, dispatch, transfer of risk

1. We are entitled to render partial deliveries.

2. The customer shall bear the costs for the dispatch of the goods. We are free to choose the dispatch route, the forwarding agent and carrier, the means of transportation and protection as well as the packaging of the goods. We do not guarantee that we will make use of the cheapest or fastest method of dispatch. We shall take out insurance against theft, damage caused by breakage, transport, fire and water as well as other insurable risks only at the express request and expense of the customer.

3. Once the goods have been handed over to the carrier at the place of dispatch as specified in our order confirmation, the risk shall be transferred to the customer.

This shall also apply where partial deliveries are made or where we have also assumed other services (e.g. dispatch, transport and/or assembly). In the event that dispatch is delayed due to circumstances for which the customer is responsible, the risk shall be transferred to the customer from the day on which the goods are ready for dispatch. However, in such a case, we shall, at the customer's request and expense, take out the insurance policies that the customer desires.

4. Incoterms 2000 shall apply for the interpretation of the trade clauses.

V. Reservation of title

1. The delivered goods shall remain our property (reserved goods) until all - including future - claims have been settled, in particular also the respective balance claims to which we are entitled against the customer within the scope of the business relationship, irrespective of the legal grounds. Should we enter into obligations towards the customer or towards third parties to finance or refinance the purchase price, or should such obligations arise, for example as a result of acceptance of a bill of exchange, surety or other direct or indirect assumption of liability by us, ownership shall not be transferred to the customer until we are released from any liability towards the customer or third parties.

2. Processing or restructuring of the reserved goods shall be carried out for us as manufacturer within the meaning of Sec. 950 of the German Civil Code (BGB), without obligating us. The processed or restructured goods shall be regarded as reserved goods within the meaning of Item V.1. Should the customer process, restructure or combine the reserved goods with other goods, we shall be entitled to co-ownership of the new object in relation to the invoice value of the reserved goods compared to the invoice value of the other goods used. Insofar as our ownership should cease to exist as a result of the processing, restructuring or combining, the customer hereby immediately assigns to us his ownership rights to the new inventory or the new object to the extent of the invoice value of the reserved goods. Our co-ownership rights shall be regarded as reserved goods within the meaning of Item V.1.

3. The customer is obliged to store the reserved goods for us free of charge and with the diligence of a prudent businessman and to insure these goods at his own expense against theft, fire, water, breakage and other damage at the invoice value and to provide us with evidence of this if we so request.

Should the customer fail to do so, we reserve the right to insure the reserved goods at the customer's expense. If we so request at any time, the customer shall store the reserved goods specifically and label them accordingly. The customer is obligated to provide us with information at any time about the inventory of the reserved goods still in his possession, the place of their storage and, if applicable, their processing, restructuring or combining status. We are entitled to inspect the reserved goods at any time.

4. The customer may only resell the reserved goods in the normal course of business and under his normal terms and conditions of business and as long as he is not in default with his payment or other contractual obligations, provided that he agrees to a reservation of title with his buyer and that the claims from the resale are transferred to us in accordance with Items V.5. and V.6. The customer is not entitled to dispose of the reserved goods in any other way. The use of the reserved goods for the fulfilment of contracts for work and contracts for work and materials shall also be deemed to constitute a resale.

5. The customer's claims arising from the resale of the goods are hereby immediately assigned to us; this shall also refer to the amount of the respective balance claims when allocating the resale claim into a current account. The assigned claims serve as security to the same extent as the reserved goods.

6. Should the customer resell the reserved goods together with other goods, the claims arising from the resale or the respective balance claims shall hereby immediately be assigned to us in relation to the invoice value of the reserved goods compared to the invoice value of the other goods. With the resale of goods to which we have co-ownership rights pursuant to Item V.2, a portion of the claim shall be assigned to us corresponding to our co-ownership share.

7. The customer is entitled to collect claims from the resale or balance claims, provided that we do not revoke the collection authorisation in the cases specified in Item II.4. At our request, the customer is obligated to inform his buyers of the assignment to us immediately and to give us the information and documents required for collection.

8. Any other assignment of the claims by the customer is not permitted. This also applies to factoring transactions; the customer is also not permitted to do so on the basis of the collection authorisation. We are, however, prepared to agree to factoring transactions in individual cases insofar as the equivalent amount herefrom finally flows to the customer and the settlement of our claims is not threatened.

9. In those cases in which we are entitled to prohibit the processing, restructuring, combining or reselling of the reserved goods in accordance with Item II.4, as well as in the event that the customer breaches the obligations as per Item V.4, we are also entitled to demand that the reserved goods be returned at the customer's expense, with the exclusion of any right of retention. The customer hereby immediately authorises us to enter his premises and to repossess the reserved goods. The repossession shall not be deemed a withdrawal from the contract.

10. The customer must inform us immediately if the reserved goods and the assigned claims are seized or otherwise compromised. Should we incur any judicial or extra-judicial costs as a result of defending against such seizures or other impairments, for which we are not reimbursed by third parties because they are not economically in a position to do so, the customer shall be liable to us for the loss incurred.

11. In the event that the value of the existing securities exceeds the secured claims by more than 10% in total, we shall to such extent be obligated at the customer's request to release securities at our discretion.

VI. Warranty

1. Warranty claims are excluded for the delivery of used goods. Warranty claims arising from the delivery of defective new goods shall be determined in accordance with Items VI.2 to VI.8.

2. The customer must examine the goods immediately after they have been delivered. Noticeable (obvious) defects must be reported in writing immediately thereafter, other defects must be reported in writing immediately after their occurrence. The customer shall not be entitled to any claims arising from defects that have not been properly reported.

3. The customer must store the goods subject to a defect claim properly and afford us the opportunity to inspect the goods. The processing, restructuring, combining and resale of the goods subject to a defect claim must be discontinued or refrained from

immediately. In addition, if we so request, which is admissible at any time, the customer shall immediately make available to us the goods subject to a defect claim or - at our discretion - samples thereof. The customer shall bear any costs arising from unjustified complaints. Should the customer violate the obligations of this clause, all warranty claims shall become invalid.

4. Warranty claims can only be asserted if and in so far as the defective goods amount to more than 5% of the total quantity delivered. Defects concerning a part of the delivery cannot lead to a complaint for the whole delivery.

5. Where we are responsible for defective goods, we shall be entitled to choose whether to remedy the defect (rectification) or to supply the customer with an object free of defects (replacement delivery). Replaced parts shall become our property. We shall only be liable for transport costs to the extent that these have not been increased by the fact that the goods have been taken to a place other than the place of fulfilment.

6. After a reasonable grace period set by the customer in writing has expired to no avail, the customer may withdraw from the contract with regard to the defective goods or demand a reduction in the purchase price if a rectification or replacement delivery proves unsuccessful. The customer shall be entitled to the same rights even without setting a grace period if we seriously and definitively refuse rectification and a replacement delivery. Any further rights on the grounds of defects - in particular contractual or non-contractual claims for damages - are excluded to the extent described in Item VII.

7. Warranty claims expire 1 year after delivery of the goods, at the latest 13 months after notification by us that the goods are ready for dispatch.

8. The customer is entitled to the statutory warranty rights without limitation if we have concealed the defect maliciously.

9. The above warranty conditions shall also apply accordingly to work performed by us with the proviso that the statute of limitations pursuant to Item VI.7 shall commence upon acceptance of the work by the customer.

VII. Liability

1. Subject to the provisions outlined below, we shall only be liable for direct damages, lost profits, lost savings, indirect and/or consequential damages as well as expenditures incurred by the customer or third parties as a result of the initiation, execution or termination of a contract if our legal representatives, executive employees or simple vicarious agents are responsible for causing the damage/expenditure through deliberate or grossly negligent misconduct, whereby our liability in the case of gross negligence on the part of simple vicarious agents (in contrast to our legal representatives or executive employees) shall be limited to the amount of the foreseeable (typically occurring) damages or expenditure. Liability on our part, whether contractual, extra-contractual or otherwise, is excluded, irrespective of the legal basis of the claim for compensation (in particular also on account of the breach of duties arising from a contractual or statutory obligation (in particular as a result of defects and due to delay), on account of impediments to performance existing at the time of conclusion of the contract, and on account of tort), insofar as our legal representatives, executive employees or simple vicarious agents cannot be accused of fault or can only be accused of simple negligence.

2. The above limitations of liability shall not apply (i) to personal injury, (ii) to any producer's liability nor (iii) in the event of culpable breach of material obligations arising from the contractual relationship, insofar as this jeopardises the achievement of the purpose of the contract; in the case mentioned under (iii), however, our liability shall be limited to compensation for the foreseeable (typically occurring) damage.

3. In the event that our product information, contrary to Item I.5., is not received by the respective recipients and damage is caused by our goods which could otherwise have been avoided if our product information had been observed, the customer shall indemnify us upon first request from all claims asserted against us in connection with such damage, regardless of the legal basis, or reimburse any compensation payments already made by us. Any further liability on the part of the customer remains unaffected by this.

VIII. Place of fulfilment, place of jurisdiction, applicable law, severability clause

1. The place of fulfilment shall be the location of our warehouse. The place of jurisdiction for all legal disputes, also for legal proceedings involving bills of exchange, cheques and other documents, is our registered office. However, we are also entitled to sue the customer at the courts of his general place of jurisdiction.

2. All legal relationships between us and the customer shall be exclusively governed by the laws of the Federal Republic of Germany applicable to legal relationships of domestic parties.

3. Should individual provisions of this contract be or become invalid, the remaining provisions shall remain binding. The invalid contractual provision shall be replaced by a provision which most closely approximates the economic objective pursued by the invalid provision.