

Annex 2: RIMAGE EUROPE GMBH - TERMS AND CONDITIONS FOR SALES AND DELIVERIES ABROAD

1. General Stipulation

All export business transacted with commercial Purchasers abroad shall be governed exclusively by these terms and conditions unless otherwise stated in the offer or in the confirmation of the order. Any changes or additions to the terms by the Purchaser, or any collateral agreements hereto, shall be binding only if they are accepted in writing by the Supplier.

Offers expire 90 days after the date of the offer. Unless otherwise agreed, interpretation of contract terms customary in the trade shall be governed by the Incoterms 1990, including any amendments enacted as of the date of delivery.

2. Prices

Unless otherwise agreed, prices shall be net and ex works, Dietzenbach, including the normal packaging. For c.i.f. deliveries, any charges at the port of destination for unloading, towing or landing, port duties and wharfage shall not be included in the price.

Customs duties, consular fees and other taxes, duties or fees assessed under any laws and regulations of jurisdictions other than the Federal Republic of Germany, as well as any costs connected therewith, shall be borne by the Purchaser.

The Supplier must comply with any foreign packing, tonnage and customs regulations if precise information is timely given to him by the Purchaser. Any additional expenses connected therewith shall be borne by the Purchaser.

3. Terms of Payment

All payments shall be made upon terms agreed upon by the parties, net without deductions to the place of payment designated by the Supplier. Payment is considered as having been made if it has been credited to the Supplier's account. If a transfer of payments from the Purchaser's country should be impossible on the due date, the Purchaser shall nevertheless make timely payment of the equivalent amount due into a bank account designated by the Supplier at a bank in the Purchaser's country. In such event, if the Purchaser does not make payment in the currency agreed upon, he must compensate the Supplier for any loss of value of the currency due to fluctuations in the exchange rate. If delivery is delayed without the fault of the Supplier, payment shall be made as if the delay had not occurred.

Failure to make timely payments shall constitute a default on the part of the Purchaser. If the Purchaser fails to make timely payment of all or part of amounts due, he shall pay interest on the unpaid or late portion (without prejudice to any other rights of the Supplier) at the annual rate of 5 % over the then effective basis reference rate of the European Central Bank from the due date of payment.

Purchaser shall have no right of set off based on disputes arising out of other contractual relationships or based on disputed or legally unenforceable claims.

4. Retention of Ownership - Security Interest

Legal title to the goods shall remain with the Supplier until all payments have been made by the Purchaser regardless of whether particular payments may be attributable to specific and identifiable goods. With respect to the resale of goods - in any condition whatsoever - the Purchaser agrees to assign-and hereby assigns to the time of final payment of all debts owing by the Purchaser to the Supplier, any claims against the Purchaser's customers which may have arisen or may arise in the future from the resale, and undertakes to notify the Supplier at his request of the names of third-party debtors and of the amount of the debts owing by these to the Purchaser. As long as the Purchaser complies with the payment obligations and no material adverse change occurs in his financial condition, the Supplier shall not collect the debts assigned. If the Supplier's retention of ownership in the foregoing form is not effective under the laws of the country in which the Purchaser has his headquarters, the Purchaser agrees to establish a similar security right in favour of the Supplier complying with the laws of Purchaser's country. If the equivalent of the securities surpasses the claims of the Supplier against the Purchaser resulting from the current business for more than 20% the Supplier is on demand of the Purchaser obliged, to release the securities insofar.

5. Delivery Time and Default

Delivery times shall be binding only if they have been agreed to by the Supplier in writing.

Compliance with the agreed upon delivery time shall be subject to the Supplier's confirmation of the order, the granting of all necessary permits and the timely delivery by the Purchaser of all required documents, payments and securities to the Supplier.

The delivery time shall be reasonably extended if any of the foregoing requirements of the Purchaser are not fulfilled in a timely manner. The delivery time shall be deemed complied with if the order is ready for delivery ex works within the period agreed upon and if a notice to that effect has been sent to the Purchaser. If the Supplier is prevented from timely delivery because of acts of God, strikes, lockouts, changes in the law, administrative measures or decrees or the occurrence of any enforceable events beyond his control, the delivery time will be reasonably extended. Partial deliveries are permitted.

If the Supplier defaults in delivery, the Purchaser shall be entitled to compensation for each full week of delay in an amount equal to ½%, but not to exceed 5% total, of the volume of the supplies delayed, providing he has proof of the damages he has suffered due to the default in delivery. This shall be Supplier's exclusive remedy.

This provision notwithstanding, the Purchaser shall have a right to rescind after the expiration of a reasonable period of time after Supplier's default.

6. Transfer of Risk

The transfer of risk passes to the Purchaser when the goods have left the works. This applies even if prices have been agreed upon for which the Incoterms purport to provide otherwise.

If delivery is delayed for reasons beyond the Supplier's control, the risk of loss shall pass to the Purchaser upon notification by Supplier that the goods are ready for delivery. Thereafter the Supplier shall be entitled to store and insure the goods at the Purchaser's expense.

7. Warranty

The supplier warrants that the delivered goods are defect-free for a period of twelve months starting with the transfer of risk to the Purchaser. If any defects occur during the warranty-period the Supplier shall at his discretion repair or replace such defective part free of charge provided that he has been immediately informed about the defects. The Purchaser has to comply with its contractual obligations in particular with the agreed payment conditions.

The Purchaser shall grant the Supplier such adequate time and opportunity as Supplier deems reasonable to repair the defects. In case of refusal Supplier's liability shall be waived. If Supplier lets expire an adequate extension of time as set by Purchaser without repairing the defect Purchaser shall have the right to cancel the Contract or claim a reduction of the purchase-price.

Warranty for defects does not cover natural wear and tear nor damage arising after the transfer of risk owing to faulty or negligent handling or excessive strain. All liability for consequences of any inexpert alterations or repairs carried out by Purchaser or third party shall be waived.

Further claims of the Purchaser against the Supplier, in particular, claims for consequential damages, are excluded, except that liability for intentional breach or gross negligence or for breach of express warranty imposed by law are not excluded.

8. Rescission

The Supplier shall be entitled to rescind the contract if its completion becomes impossible for reasons not the fault of the Supplier. The Supplier is further entitled to rescind the contract if the contractual relationships are so fundamentally altered at a later date by circumstances which could not reasonably be foreseen at the execution of the contract that he can no longer be reasonably expected to fulfil the contract.

9. Liability

Unless expressly agreed otherwise in these Terms and Conditions for Sales and Deliveries Abroad, all claims for damages (including consequential damages suffered by the Purchaser or third parties, in particular those caused by Supplier's fault resulting in the loss of a contract, Wilful breach of contract and liability for negligence) made against the Supplier and his employees and assignees in connection with the execution of this contract are excluded under this contract.

The foregoing shall not apply to liability imposed by law wilful breach, gross negligence or breach of express warranty.

10. Miscellaneous

If portions of this contract are deemed invalid, the remaining portions shall continue in full force. This contract shall be governed by and construed in accordance with the laws of the Federal Republic of Germany.

The place of performance of the contract shall be deemed to be the Supplier's principal place of business. Jurisdiction and venue for all disputes arising from this contract shall lie in Offenbach am Main.