

GENERAL TERMS AND CONDITIONS (FEBRUARY 2011)

1. GENERAL

1.1 Our deliveries, services and offers are provided exclusively on the basis of these terms and conditions. They shall also apply to all future business relations even if they are not expressly agreed once more. We do not accept conditions that oppose or deviate from these general terms and conditions unless we expressly agreed to their validity in writing. Our general terms and conditions shall also be valid if we execute deliveries and services to our customer without reservation whilst being aware of conflicting conditions of our customers or that deviate from our terms and conditions.

1.2 These General Terms and Conditions shall be deemed accepted at the latest with the acceptance of the delivery item.

1.3 Customer is obligated to inform us if it cannot be excluded that the products we deliver to consumers are delivered in terms of paragraph 13 BGB (German Civil Code) – also incorporated in other products.

1.4 When using the delivery item the property rights of third parties have to be observed.

2. OFFER AND CONCLUSION OF CONTRACT

2.1 All our offers are always subject to change and not binding.

2.2 Orders require our written order confirmation to be legally effective.

2.3 Any agreements made between us and the customer for the purpose of executing this agreement need to be recorded in writing in the agreement. Our employees are not authorized to enter into verbal ancillary agreements or make verbal commitments that go beyond the content of the written agreement.

2.4 We reserve the right to make changes to the delivery item at any time and without any special notification while retaining the relevant features. In case of calculation or printing errors in the offer we reserve the right of correction.

2.5 We unconditionally reserve and retain all property rights and copyrights to samples, calculations, cost estimates, models, drawings and similar documents, whether of a physical or non-physical nature, including those in electronic form. The aforementioned documents may be used by the customer only for checking the offer and must not be made available to third parties and have to be returned to us immediately if the order is not placed with us. The aforementioned provision shall not be applicable as far as the listed documents are generally available.

3. SUPPLY

3.1 Indications of delivery times (delivery dates or delivery periods) or manufacturing data shall only be deemed binding if we confirm them in writing. Unless otherwise agreed in writing the delivery times and manufacturing data are regarded as not binding.

3.2 The indicated delivery periods shall be given with diligence in accordance with the existing conditions. Delivery periods shall commence no earlier than after complete clarification of commercial and technical issues and the fulfilment of obligations incumbent on the customer, like the provision of documents the customer might need to furnish, necessary official certificates or approvals, but not, however, before receipt of a possibly agreed advance payment.

3.3 Delivery dates and delivery periods shall be deemed met if the delivery item has left the warehouse until they expire, or if the readiness for shipment has been announced in case of a forwarding possibility. As far as an acceptance has to take place the acceptance date shall be relevant except for justified refusal of acceptance, alternatively the notification of readiness for acceptance.

3.4 Part deliveries are permitted to the extent that they are reasonable for the customer.

3.5 We shall not be responsible for delays in delivery and performance caused by force majeure and by events that make delivery not only temporarily considerably more difficult or impossible for us (in particular official decrees or measures, strikes, lockouts, traffic disruptions and breakdowns, energy supply problems, mobilization, riots, shortage of raw materials, etc) even if they occur at our pre-suppliers or their pre-suppliers and even in the event of bindingly agreed deadlines and periods. They entitle us to postpone the delivery or performance by the duration of this obstruction plus a reasonable start-up time after elimination of the obstruction or to withdraw fully or partly from the contract due to the not yet fulfilled part.

3.6 If the obstruction as defined in sub-paragraph 3.5 lasts more than three months the customer shall be entitled to withdraw from the contract with regard to the not yet fulfilled part after a reasonable period of grace.

3.7 In the event the delivery time is extended or if we are released from our obligation to fulfil the contract pursuant to sub-paragraphs 3.5 or 3.6, the customer may not derive any claims for damages from this if we informed him immediately about the obstruction.

3.8 We shall also not be held responsible for the circumstances mentioned in sub-paragraph 3.5 if they occur during an already existing delay.

3.9 If we are responsible for the non-observance of bindingly agreed deadlines and periods or if we are in default the customer shall be entitled to a compensation for delayed completion amounting to 0,5% for each full week of delay, but in no case more than a total of 5% of the invoice value of the deliveries and services affected by the delay.

3.10 Claims for damages of the customer due to delay in deliveries as well as claims for damages instead of performance going beyond the limits mentioned in sub-paragraph 3.9 shall be excluded in all cases of delayed delivery even upon expiry of a grace period set to us to effect the deliveries. This shall not apply in cases of mandatory liability based on wilful intent, gross negligence or due to injury to life, body or health. Customer may only withdraw from the contract within statutory provisions if we are responsible for the delay of the delivery. The above provisions do not imply a change in the burden of proof to the detriment of the customer.

3.11 Customer undertakes to declare within a reasonable period whether he will withdraw from the contract due to the delayed delivery or insist on the delivery.

3.12 Should impossibility or inability occur during delayed acceptance of customer or should the customer be solely or mainly responsible for these circumstances, he shall be obliged to counter performance.

3.13 If the customer is in default of acceptance we can set the customer a reasonable period of grace in writing. Following the fruitless expiry of a period of grace we shall be entitled to withdraw from the contract and claim replacement for the damage incurred. We shall be entitled at our discretion to concretely calculate the damage or demand an amount of 15% of the net purchase price as damage lump sum, whereby it is subject to the customer to furnish evidence that we sustained no damage at all or significantly lower than the damage lump sum.

4. PRICES

4.1 Applicable prices shall be those indicated in our order confirmation.

4.2 All prices and fees are quoted ex works excluding packaging plus the respectively valid value added tax.

5. TRANSFER OF RISK

5.1 The risk shall be deemed to have passed to the customer as soon as the consignment was handed over to the person executing the transport or has left our warehouse for the purpose of dispatch.

5.2 As far as an acceptance is required it shall be decisive for the transfer of risk. It must be carried out immediately on the acceptance date, alternatively after our notification of readiness for acceptance. The customer may not refuse the acceptance in case of a minor or insignificant defect.

5.3 If the shipment or the acceptance does not take place or if the dispatch or the acceptance is delayed due to circumstances that are not attributable to us, the risk will pass to the customer from the day of notification of readiness for dispatch or acceptance.

5.4 Loading and shipment are performed uninsured at the risk of customer. We will make every effort to consider the requests of the customer with regard to type and route of shipment; any resulting additional costs shall be borne by the customer. At the customer's request, deliveries will be insured in his name and at his expense.

6. WARRANTY

6.1 Warranty claims due to quality defects and deficiencies in title shall become time-barred in 12 months after passing of the risk.

6.2 If the delivery item is defective we shall be entitled at our discretion to deliver replacement or repair. In this connection we are obliged to bear all expenses necessary for the supplementary performance, in particular costs for travel and transport, labour and material, as far as they are not increased because the delivery item was brought to another location than the place of performance or the seat of the customer. If the delivery item does not correspond to the contract we may eliminate the breach of the contract at first at our discretion by three (3) subsequent improvements or replacement

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delivery within an adequate period upon written request by the customer even in case of substantial defects.

6.3 The delivery item has to be checked by the customer for faultlessness and completeness immediately upon delivery. Defects discovered in this connection have to be notified to us in writing with a detailed description of the defect. If the customer fails to perform the inspection in due time or notify the defect the delivery item shall be deemed accepted unless the defect was not apparent during the inspection. Apparent defects have to be reported to us immediately in writing, at the latest, however, within one week after delivery; otherwise the assertion of warranty claims due to this defect shall be excluded. Defects that were discovered later must be reported to us immediately upon discovery; otherwise the delivery item shall be deemed approved even in view of these defects.

6.4 If the customer is entitled to sub-license the delivery item in connection with his own products he has to check and release every software component delivered by us as master version individually and as part of his system before delivery to his customers. He shall be obliged to provide us with the corresponding documentation upon written request.

6.5 If the defect only occurs with certain hardware this must be kept ready for our inspection in the state it was at the time the defect was detected.

6.6 There shall be no claims for defects in cases of insignificant deviations in the delivery item from the agreed quality and in cases of minor impairment of the usability of the delivery item. We shall not be liable for defects caused by interventions in the delivery item or by the attempt of the customer to carry out changes without our prior express and written consent.

6.7 If the replacement delivery or subsequent performance pursuant to subparagraph 6.2 fails after a reasonable period the customer may withdraw from the contract. If there is only a minor defect the customer's right to withdraw from the contract shall be excluded, and he shall only be entitled to the right to reduce the contract price. As for the rest, the right of the customer to reduce the contract price shall be excluded.

6.8 Further claims of customer for compensation for damages shall only exist pursuant of the subsequent paragraph 7.

7. LIABILITY

7.1 Subject to the following provisions we shall be liable for compensation for damages – regardless of their legal grounds – only for intentional or grossly negligent breach of obligations by us, our legal representatives or our vicarious agents.

7.2 In case of slightly negligent breach of cardinal obligations our liability shall be limited in the extent to typical contractual damages foreseeable in the normal course of events. Cardinal obligations shall be such obligations the fulfilment of which actually enables the due and proper performance of the contract and the observance of which the contractual partner may regularly rely on. For slightly negligent breaches of obligations such as delay or impossibility or for slightly negligent breaches of duties of protection we shall not be liable. Any further claims of the customer going beyond the aforementioned limits shall be excluded. This shall apply to any damages caused by breaches of duty and defects including loss of production, lost profits or any other indirect damages.

7.3 The aforementioned liability exclusions and limitations do not apply in cases of liability without fault, in particular under the Product Liability Act, in case of fraudulent concealment of a defect; acceptance of a guarantee or a procurement risk, and with culpable damage to body and health or loss of life.

8. EXPORT PROVISIONS

8.1 It is pointed out to the customer that the export of the delivered products, information, software and documentation (collectively referred to as products) in accordance with the respective relevant export regulations of the Federal Republic of Germany, the European Union and/or the United States of America – eg due to their nature or intended purpose or final destination – may be subject to authorization or be excluded and infringements are prosecuted under criminal law. The customer therefore assumes liability that all national or international relevant export regulations are strictly observed and any necessary authorizations are obtained. In this regard, the customer especially undertakes to check and ensure that:

- if the products may only be delivered with an authorization of the respective, in particular national, authorities for a purpose related to

armaments, nuclear technology or weapons or to a military receiver, such an authorization is obtained in advance in case of a resale;

- no companies or persons listed in the Denied Persons List (DPL) of the American U.S. Department of Commerce are provided with goods, software or technology originating in the U.S.;

- no companies or persons are supplied that are listed in the list of the Special Designated Nationals and Blocked Persons List of the U.S. Treasury or the EU Terrorist List;

- the relevant UN resolutions, EU regulations and German laws as well as the lists of the competent German authorities are observed;

- the Entity List of the U.S. Department of Commerce is observed;

- no deliveries are made to persons who are listed in the Unverified List of the U.S. Department of Commerce.

8.2 In the event of a violation of the above obligations by the customer he shall indemnify us upon first request against any claims and compensate any damages which our supplier or licensor, third parties, state-run and/or international authorities or organizations assert against us.

8.3 The supplies and services (fulfilment of the contract) are rendered on the proviso that the fulfilment is not opposed by any obstacles due to national or international regulations, in particular export control regulations as well as embargoes or any other sanctions. The contractual parties undertake to furnish any information and documents that are needed for the export/transfer/import. Any delays due to export licensing procedures or approval procedures will suspend any deadlines and delivery periods. If necessary authorizations are not issued, the contract shall be deemed not concluded as regards the affected parts; claims for damages are excluded insofar and due to the aforementioned non-observance of the deadline.

8.4 We shall notify the customer by request about relevant contacts for further information.

9. PAYMENT

9.1 Unless otherwise agreed in writing our invoices shall be due immediately and without deduction upon issue of invoice.

9.2 We expressly reserve the right to refuse checks and bills. There is no entitlement that we accept the aforementioned means of payment. Therefore an acceptance shall only take place subject to a discounting option and only on account of payment, whereby the term of the bills may not exceed 3 months. Discount and bill charges must be borne by the customer and are due immediately and have to be paid in cash. The risk of timely presentation and contestation shall be borne by the customer.

9.3 We shall be entitled to offset payments first against the senior debts of the customer despite his contrary provisions. If costs and interests have already been incurred we shall be entitled to offset the payment first against costs, then against interests and finally against the principal claim.

9.4 In case of default of payment and justified doubts as to the solvency or creditworthiness of the customer we shall be entitled – without prejudice to any of our rights – to demand collaterals or advance payments for outstanding deliveries and declare any claims from the business relation as immediately due.

9.5 Only uncontested or legally established claims shall entitle the customer to a right of set-off or retention. The customer shall also be entitled to retention due to counter claims from the same contractual relation.

9.6 Default interests shall be calculated at least with the statutory interest rate of eight percentage points above the base interest rate. The assertion of a further claim shall not be excluded.

9.7 Our claims shall all become due for payment immediately, even in deferment, as soon as the customer fails to fulfil one or several obligations; bills or cheques are protested; the customer stops payments; is heavily indebted; composition or insolvency proceedings were opened against his assets or the initiation of insolvency proceedings was rejected due to lack of assets. In the aforementioned cases we shall be entitled to demand the reserved goods and withdraw from the contract.

10. RESERVATION OF OWNERSHIP

10.1 Until the fulfilment of all claims (including any balance claims from current account) which we are entitled to for any cause in law against the customer now or in the future, we shall be granted the following securities by

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the customer which we will release on demand at our discretion as far as their value sustainably exceeds the claims by more than 10%.

10.2 The goods shall remain our property. Processing or transformation shall always be executed on our behalf as manufacturer but without any obligations for us. If our (co) ownership lapses by connection it is agreed now already that our (co) ownership of the uniform item passes to us ad valorem (invoice value). The customer shall keep our (co) property free of charge. Goods in which we are entitled to (co) ownership shall in the following be referred to as reserved goods.

10.3 On access by third parties to the reserved goods, especially bailiffs, customer shall point out our property and immediately inform us about the access so that we can enforce our property rights. As far as third parties are not able to reimburse us for legal or extrajudicial costs generated in this connection, the customer shall be liable for this.

10.4 On behaviour of the customer contrary to the contract, in particular default in payment, we shall be entitled to take back the reserved goods at his expense or if need be demand assignment of the right to restitution of the customer against third parties. The redemption as well as the pledging of the reserved goods shall not constitute a withdrawal from the contract.

10.5 The customer shall be entitled to process and sell the reserved goods in the ordinary course of business as long as he is not in arrears. Pledging or collateral assignments are not permitted. The claims resulting from resale or another legal reason (eg insurances, unlawful acts) with regard to the reserved goods shall now already be fully assigned to us by the customer by way of security. We revocably authorize the customer to collect the assigned claims for his account and on his own behalf. We shall be entitled to revoke the authorization for collection if the customer does not properly fulfil his payment obligations.

10.6 Furthermore, the provisions of the supplementary clause "Extended Clause of Retention of Title" of the ZVEI shall be valid in the version dated November 2005, if the customer has his registered office in the Federal Republic of Germany.

11. SECRECY

11.1 The customer undertakes to neither communicate nor disclose any information he received from us, confided to him for the duration of the business relationship or made known to him in any other way, to third parties without our prior written agreement. In this respect the customer undertakes to commit his employees and any third parties who rightly obtain knowledge in the course of the realization to also maintain secrecy to the same extent.

11.2 The obligation to secrecy according to the foregoing paragraph shall not exist if the respective matter certifiably:

- is or becomes state-of-the-art technology accessible to the general public without the assistance of the customer, or
- is already known to the customer or is made known to him by a third party entitled to the transmission, or
- is developed by the customer without our assistance and without using other information or knowledge obtained due to the contractual relation, or

11.3 The customer may disclose confidential information from us as far as he is obliged to do so by an official or judicial ruling or by mandatory statutory provisions provided he immediately notifies us in advance in writing to assert our rights and the customer makes every reasonable effort to ensure that the confidential information is kept confidential. Such disclosed confidential information must be marked "confidential" by the customer.

11.4 The obligation to secrecy shall remain effective even after the expiry of the business relationship.

12. DATA PROTECTION

The contractual parties shall treat personal data of the respective other contractual party in accordance with the Federal Data Protection Law.

13. COPYRIGHT

13.1 As far as our software is used in the delivery items purchased permanently by customer, customer shall be granted the non-exclusive right unlimited in time to use the software for the contractual use of the product.

The term "Software" includes computer software, the related media, printed materials, user documentation, electronic manuals as well as online manuals. The term "Software" comprises, unless the subsequent provisions do not

explicitly reveal something else, also the updates and upgrades pertaining to an initial version.

As far as we provide our delivery items to the customer for a limited period of time the customer shall be granted the non-exclusive right of use limited in time to use the software for the contractual use of the delivery item.

As regards the remuneration for using the software and possible maintenance agreements the parties shall conclude a separate contract.

13.2 The customer undertakes to ensure that everybody who uses this program observes this license agreement. The term "Program" comprises the original program, all copies (1 copy) of the same as well as parts of the program even if they are connected with other programs. A program consists of machine-readable instructions, audio-visual contents and related license material. As for the rest, the licensing provisions of the respective program manufacturers shall be applicable. In the absence of contrary agreements the customer may use the program only on one computer at the same time. A "use" of the program exists when the program is located in the main memory or a storage medium of a computer. A program that is installed on a network server only for the purpose of program distribution shall be deemed not used.

13.3 The license fees charged by us are based on the frequency of use (eg number of users), the resources (eg processor size) or a combination of both. If access to a program is controlled by a license management program, copies may be created and stored on all machines that are under the control of this license management program, but the use may not exceed the total number of admissible users or resources.

13.4 The customer may carry out back-ups according to the rules of technology and create the backup copies of the programs that are necessary for this. If the manual is on a data carrier it may be printed out on paper. The customer may not change or remove our copyright notices. The customer shall not be entitled to use, copy, process or transfer the software in a way other than that described herein or convert it into another form of expression or translate it in another way if such conversion is not indispensably provided for by express statutory provisions. He shall not be entitled to rent out, lease the software or assign sublicenses if not agreed individually and separately.

13.5 With the end of a time-limited right of use or upon effectiveness of a cancellation or withdrawal all rights to use the software shall lapse, including any copies as well as written documentation on advertising aids which the customer received from us. The customer shall delete all saved programs from his computer systems unless he is required by law to a longer storage. The other contractual collateral duties of the customer towards us shall continue to exist beyond a possible cancellation or termination of the contract.

13.6 For each case of violation of an obligation regulated under this paragraph 13 the customer shall promise us, in the absence of a defence of a continuation of an offence, a contractual penalty amounting to 10% of the total contract value, at least, however, in the amount of EUR 5.000,00. The customer, however, shall remain entitled to furnish evidence that no damage or considerable less damage is incurred by us.

14. INTELLECTUAL PROPERTY RIGHTS/ DEFICIENCIES IN TITLE

14.1 As far as we provide the contractual services according to manufacturing descriptions, plans, drawings, instructions or any other documents of the customer or by objects received from him for reconstruction, the customer shall guarantee that by the execution of the order no rights of third parties, in particular industrial property rights or copyrights (hereinafter: property rights) are violated directly or indirectly. In particular the absence of rights of third parties shall insofar be no stipulated quality of the delivery or performance to be rendered by us. We shall not be obligated to an independent examination of conflicting rights of third parties. However, we shall nevertheless point out any rights of third parties that became known to us to the customer.

14.2 The customer shall indemnify us in cases of paragraph 14.1 against any claims by third parties and replace any damages incurred to us always upon first request

14.3 In the event a third party asserts a claim against us in the cases of paragraph 14.1 by referring to a property right position he is entitled to, a right of use he is entitled to or an ancillary copyright he is entitled to, for default of the further performance, manufacture or delivery of the contractual items we shall be entitled to withdraw from the order and demand replacement of our current expenses from the customer without examining the legal situation.

Documents, objects and the like provided to us, which have not led to an order, shall be returned on request against reimbursement of costs. Otherwise we

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shall be entitled to destroy those three (3) months after submission of the offer.

14.4 Unless otherwise agreed in writing we shall be obligated to deliver only in Germany free from industrial property rights and copyrights of third parties. In the event a third party lodges legitimate claims against the customer due to the infringement of property rights through contractually used deliveries rendered by us, we shall be liable to the customer within the period determined under paragraph 6.1 as follows:

a) We shall at our discretion and at our own expense either obtain a right of use for the corresponding deliveries; modify them so that the property right is not infringed, or exchange them. If this is not possible for us at adequate conditions, the customer shall be entitled to the statutory rights of withdrawal or reduction.

b) Our obligation to pay damages shall be governed by paragraph 6 or 7.

c) The customer shall immediately inform us in writing about claims asserted by third parties and we shall reserve the right to all defensive measures and settlement negotiations. If the customer discontinues the use of the delivery in order to diminish the damage or for any other important reasons he shall be obligated to point out to the third party that no acknowledgement of the alleged infringement of property rights may be inferred from the fact that the use was discontinued.

14.5 Any claims of the customer shall be excluded insofar as he is responsible for the infringement of the property rights.

14.6 In the event of infringement of property rights the provisions of paragraph 6.2 shall apply accordingly to the claims of the customer regulated in paragraph 14.4 a).

14.7 In case of any other defects in title the provisions of paragraph 6 shall apply accordingly.

14.8 Any further or other claims of the customer than those regulated in paragraph 14 against us or our vicarious agents due to a defect in title shall be excluded.

15. TRANSFER OF ORDER

We shall be entitled to transfer the order or parts of the order to third parties without the prior written consent of the customer. We shall be liable for the third party like for our own vicarious agent.

16. CONTRACTUAL LANGUAGE, CORRESPONDENCE

The contractual language shall be German or English. All correspondence and any other records and documents shall be written in the German or English language. This shall also apply to the rest of the documentation.

As far as the contractual parties make use of another language the German or English wording shall prevail.

17. PLACE OF JURISDICTION / APPLICABLE LAW

17.1 **Exclusive place of jurisdiction shall be 32657 Lemgo, Germany, if the customer is a merchant.** However, we reserve the right to assert our claims at any other competent court of jurisdiction. 17.2 The agreement shall exclusively be subject to non-unified German law, namely the BGB/HGB (German Civil Code/German Commercial Code). The provisions of the Vienna Convention dated 11 April 1980 on the international sale of goods shall be excluded.

18. SEVERABILITY CLAUSE

Should individual provisions of these General Terms and Conditions of Business and Delivery be or become ineffective, the validity of the remaining provisions shall hereby not be affected. The invalid provision shall be replaced by a provision that comes closest to the intended purpose of the ineffective regulation.

The same shall apply if a gap becomes apparent during the execution of these General Terms and Conditions of Business and Delivery that requires regulation / completion.