

**General terms and conditions
of CIDEON Engineering GmbH
As at 1st May 2009**

Section 1 Area of validity of the General terms and conditions

- 1.1. The general terms and conditions - called the GTC – apply to all the current and future business relationships and also to all contracts that are concluded between CIDEON Engineering GmbH – hereinafter called CIDEON – and the client or customer - hereinafter called the CL and/or customer.
- 1.2. The general terms and conditions of the CL shall be expressly opposed.
- 1.3. General terms of conditions that differ, contradict or supplement these, even if CIDEON is aware of them, shall not form part of the contract, unless CIDEON has expressly consented to the fact they apply in writing.

In the event that the CL does not want to allow the following general terms and conditions – GTC to apply it must declare this beforehand, but at the latest at the point in time of the conclusion of the contract, in writing to CIDEON.

Section 2 Conclusion of the contract

- 2.1. CIDEON shall render engineering performances - hereinafter called engineering performances – in the form of the independent and autonomous execution of plans, constructions, drawings, calculations, the construction or manufacture of prototypes, trial and permit supervision, preparation of series runs, project support, certification actions, development orders, development services as well as additional engineering services from the entire service sector.
- 2.2. CIDEON's offers shall always be non-binding plus the legal rate of VAT and are performed as a request to submit an order or accept the offer, for the submission of an order or the acceptance of an offer.

The CL's order shall constitute a binding order for the CL.

- 2.3. Oral additional agreements as well as every promise of properties and potential contractual amendments or supplement shall only apply if these were confirmed expressly and in writing.
- 2.4. The CL shall commission CIDEON with the performance of engineering services in accordance with item 2.1 within the framework of the respective individual contract.

The following engineering services or deliveries shall form the authoritative basis of the contract:

- The bilateral written declarations of CIDEON and the CL, if necessary with the specification book of the CL as well as the CAD directions if the CL has them.
- Drawings, images, constructions, plans, dimensions, weights or other performance data as well as

- CIDEON's confirmation of order by means of which the scope of performance is determined.
- if there is no confirmation of order or there are no bilateral written declarations the written order of the CL shall apply.

The engineering performance to be rendered, and if applicable the performance schedule and the date of completion shall be stipulated in the aforementioned basis of the contract. In other respects these GTC shall apply.

- 2.5. In the phase during which the parties shall work to reach a contractual agreement CIDEON shall reserve the unrestricted proprietary rights and the rights of utilisation that are protected by copyright to cost estimates, drawings and other documents or facilities. The passing on of this information by the CL to third parties is not permitted in the contract initiation phase without the CL obtaining CIDEON's written consent prior to this.
- 2.6. If the CL demands changes or supplements to this order following the granting of the contract CIDEON shall inspect these and if it is possible to fulfil these it shall render these for the CL whilst claiming additional remuneration at the respectively valid prices. The CL shall accept the postponement of the delivery that results and that was not caused by CIDEON by an appropriate length of time.

Section 3 Copyright/exploitation right, protected expertise

- 3.1. CIDEON shall grant the CL upon receiving complete payment for all the performances developed or rendered under the terms of the contract, such as plans, drawings, models, tools or devices and other working rights, to use them to the extent described in the order or stipulated by the purpose of the contract.
- 3.2. In the event that CIDEON has also produced an individual software as part of the its contractual obligations, CIDEON shall not be obliged to provide the customer with the source code.
- 3.3. If software is provided by CIDEON as a contractual item, CIDEON shall grant the CL the non-exclusive right to use this as intended with the contractual item. Duplications, the passing on and use of the software for purposes not stipulated in the contract are not permitted. If the CL desires this, this shall be stipulated in a written agreement between the parties to the contract and remunerated separately by the customer.
The cancellation of this written form clause would also have to be made in writing.
- 3.4. If during the performance of individual orders potential employee inventions, suggested improvements or similar items are produced by CIDEON's employees or subcontractors CIDEON shall after being demanded to do so by the CL be obliged to claim the invention to a limited or unlimited extent. The resulting rights shall be concurrently transferred to the CL in return for exemption from potential financial relationships towards employees of CIDEON or the subcontractor that possibly result from the employee's invention. The Employee Inventions Act shall be applied accordingly.
- 3.5. In addition to the items listed in item 3.1 CIDEON shall enforce its rights relating to protected company and business expertise. This shall apply especially if data archived by CIDEON is transferred on to another database software. This duplication constitutes CIDEON's protected technical expertise. The CL is therefore not entitled to transfer such database software from

CIDEON to third parties without CIDEON's prior written consent. Third parties also include potential subsidiaries of the CL.

Section 4 performance

- 4.1. CIDEON is entitled to award subcontracts to ensure the rendering of the contractual performances.
- 4.2. If employees or commissioned representatives of CIDEON work at the CL's premises the CL is not itself entitled to have managerial authority towards them. CIDEON shall be solely entitled to the managerial authority.
- 4.3. CIDEON shall reserve the right to make product changes based on necessities or technical improvements if these are reasonable for the CL compared to the contractual item.
- 4.4. The prices resulting from the respectively valid or the individual offers shall be calculated as fixed prices. The customer shall be invoiced VAT and other statutory fees in the supplier country as well as potential costs of packaging, transport insurance or environmental handling fees as well as shipping costs separately.
- 4.5. CIDEON reserves the right to increase the respective price accordingly if cost increases arise for CIDEON following the conclusion of the contract due to an amendment to the performance requirement by the client, due to a statutory requirement being placed upon the engineering performance or due to price increases as a result of currency fluctuations. CIDEON shall provide evidence of these changes to its customer at its request. Slight changes to the engineering performances shall be at CIDEON's expense.
- 4.6. The transfer of the engineering performance shall only be possible if CIDEON's written consent has been obtained in writing prior to this. The reservation of consent shall also apply to the use of the engineering performances by the CL's subsidiaries or component suppliers. The CL shall provide a guarantee for this.

Section 5 Terms of payment

- 5.1. All the invoices shall be paid to CIDEON within 14 days of the invoice with the payment being received by CIDEON without any deductions in the currency stated in the invoice if no other written agreement has been reached.
- 5.2. If CIDEON provides control or user software the CL shall pay the invoice amount for this as a single payment in accordance with item 5.1.

If CIDEON renders engineering performances or work and services 30% of the order sum that applies to this shall be paid immediately by the CL to CIDEON with the confirmation of order or the granting of the order. The CL shall be obliged upon receiving corresponding notice of the start of performance by CIDEON to pay an additional 20 % of the order sum to CIDEON.

CIDEON is entitled to make a further 30% of the order sum due after half of the performance has been rendered. The CL shall pay the remaining amount of 20 % of the order sum upon the completion of the contractual performances.

- 5.3. If payment has not been made within 30 days of the due date of the invoice amount this shall automatically signal default. From this point in time onwards the CL shall be charged interest for the invoice amount at the statutory rate of interest stipulated in Section 288 section 2 of the German Civil Code amounting to 8% above the respective current base interest rate of the European Central Bank - ECB.
- 5.4. If these terms of payment or payment deadlines are not observed by the customer and if there are doubts concerning the customer's creditworthiness based on the consideration of its bank status CIDEON can at any time optionally demand concurrent performance in return for cash payment, advance payment or a safety bond by means of a guarantee or in another way by the CL. In this case all CIDEON's outstanding accounts receivable from the customer, for which payment by instalments was agreed upon or for which a bill of exchange was received, shall be due for immediate payment.
- 5.5. The AG can only offset accounts receivable that are recognised or legally titled against CIDEON's claims.

Section 6 Terms of delivery and performance

- 6.1. CIDEON shall always realise the performances for the CL at CIDEON's company headquarters. The shipment shall consequently be performed at the customer's risk and expense.
- 6.2. If CIDEON has to perform work and services CIDEON shall determine where the performance shall take place.
- 6.3. The complete or partial performance at the CL's premises must be agreed upon separately in writing.
The management authority towards its employees in particular briefing, instruction and supervision are solely CIDEON's responsibility.

The confirmation of the progress of the order shall be provided by CL based on the project status reports to CIDEON.
- 6.4. The performance deadline or the performance terms shall be agreed upon based on CIDEON's predicted performance capability and shall be non-binding and subject to the timely availability of supplies and raw materials and unforeseen circumstances and hindrances, in particular force majeure, state actions, the non-granting of official permits, software errors for which it is not responsible as well as industrial disputes and similar items, if no other written agreement has been reached between the parties to the contract. The aforementioned events extend the delivery deadline accordingly and indeed also in those cases when they arise during a case of default that had already arisen. In this case a subsequent deadline set by the CL shall also be extended by the duration of the unforeseen event. The CL can, irrespective of other rights of withdrawal in the event that the aforementioned events lead to a delay in performance of more than two months, cancel the contract if the delay in performance is not due to the CL's change specifications.
- 6.5. The observation of deadlines by CIDEON requires that the CL has provided all the necessary information, documents and data as well as the support for the implementation of the order on time and free of charge to CIDEON or its employees or subcontractors. The CL shall bear

the responsibility for the correctness of the documents and information provided and is liable for ensuring that these are unencumbered by the protective rights of third parties.

CIDEON shall not pay any compensation for losses, which have occurred due to the insufficient duties to collaborate of the CL.

- 6.6. In the event that an appropriate extension of the delivery term is not reasonable for CIDEON due to the scope of the circumstances stated in the aforementioned item 6.4 CIDEON shall be entitled to entirely or partially cancel the contract following prior notification. Compensation claims shall be mutually excluded in this event.

CIDEON shall be exempted from the duty to perform if the rendering or execution of the performance is, or becomes, impossible or unreasonable due to the circumstances stated in 6.4, especially in the event of force majeure.

- 6.7. CIDEON is entitled to make part deliveries.

Section 7 Assembly performances

- 7.1. If assembly performances form part of CIDEON's scope of services, the customer shall provide the required support personnel, necessary items such as tools and computer times and similar items as well as power at its own expense. In addition the customer shall ensure at the assembly site that it is possible to securely store CIDEON's materials and tools.
- 7.2. Prior to commencing the assembly work the customer shall provide the necessary information concerning the locations of completed electricity, gas and water lines or similar facilities as well as the necessary static engineering data on time without being requested to so with appropriate forward planning.
- 7.3. If the installation or commissioning is delayed due to circumstances for which the customer is responsible it shall bear the costs for downtimes and additional time taken as well as the travel expenses of CIDEON's staff or subcontractors employed that additionally become necessary.

Section 8 Acceptance of performance, transfer of risk

- 8.1 Upon delivery the customer shall immediately inspect the delivery items following receipt in terms of whether they are complete and are in line with the basis of the contract declared in Section 2 of these GTC.
- 8.2 In the case of contracts for work and services CIDEON is entitled to the acceptance and partial acceptance of its performances if they were rendered in accordance with the terms of the contract and can respectively demand partial acceptance following the rendering of the respective project stage in accordance with the terms of the contract. The CL shall accept the performances or partial performances rendered within three weeks of the written notification of the willingness to accept and shall sign an acceptance protocol that shall be produced on each occasion. If the CL does not accept within the aforementioned term although it is obliged to do so, or if there is no acceptance due to reasons to be assigned to the CL's risk the work or the

partial work shall virtually be deemed as having been accepted upon being put into use by the CL at the latest three weeks following the notification that they are ready for the acceptance inspection.

- 8.3 In the case of the delivery of items, as well as the drawings, plans among other things the risk shall be transferred to the CL upon the dispatch or collection or upon delay in acceptance arising. In the case of work and services the same shall apply at the point of time of the acceptance or notional acceptance of work.

Section 9 Reservation of title

- 9.1 All the performances which CIDEON has to render as part of its contractual obligation such as plans, calculations, prototypes, accompanying materials, project plans, data carriers and/or materials, shall remain CIDEON's property at least until all the demands resulting from this contract have been met. If the contractual partner should be a corporate body under public law or an entrepreneur exercising his commercial or freelance professional work this shall also additionally apply until the settlement of CIDEON's claims resulting from this contract in conjunction with the ongoing business relationship.
- 9.2 If the CL's defaults in payment also in relation to other future performances by CIDEON or if the customer should suffer a financial collapse CIDEON can cancel the contract or shall be entitled if it claims damages instead of performance to enter the business premises of the CL and to claim the goods subject to retention of title. In the event of remuneration following redemption CIDEON and the CL shall agree that this shall be carried out at the standard market value of the contractual item at the point in time that it was redeemed.
- 9.3 The enforcement of the reservation of title and the withdrawal of the granting of the right and the attachment of the items delivered by CIDEON shall not be viewed as avoidance of contract if the CL is a businessman.
- 9.4 If CIDEON supplies items, data carriers, prototypes, CAD models, plans and other items to the CL for testing and demonstration purposes these shall remain CIDEON's property or be subject to CIDEON's trademark legal reservations. The CL is entitled to use these for testing and demonstration purposes. In addition it is forbidden from using them extending beyond this unless a separate written agreement concerning this is reached with CIDEON.

Section 10 Supplementary performance and liability

- 10.1 CIDEON and the CL are aware and agree that it is not possible based on the status of the technology to exclude software errors under all conditions of use. CIDEON shall render its performance in accordance with the general recognised technical regulations at the point in time that the order was granted and with the level of care that is customary in the industry.
- 10.2 If defects arise the CL shall immediately have to enforce a claim for supplementary performance in writing. Objections to the engineering performances rendered shall also have to be enforced immediately but at the latest within four weeks of receipt and described as precisely as possible.
- If no objections are raised within four weeks of receipt by the CL then the engineering

performance shall be deemed as having been rendered in accordance with the contract and confirmed. The CL shall if necessary grant CIDEON the time and opportunity necessary using equitable discretion for the supplementary performance. If the CL refuses these the CIDEON shall be exempted from the duty of supplementary performance. In addition if there is a defect the CL's statutory claims for defects shall apply whilst being restricted to the extent regulated in these GTC.

- 10.3 In accordance with this the period of warranty shall amount to 24 months. It shall commence at the point in time of delivery or of transfer of risk or the acceptance of the work.
- 10.4 The CL shall be obliged to immediately test the performances rendered and inspect whether there are potential deviations from the order volume and for evidence of defects. If deviations and defects are discovered these shall be immediately enforced in writing against CIDEON.
- 10.5 If dimensioning forms the basis for CIDEON's fulfilment of performance the dimensions stated on the data carriers, drawings, constructions, CDs etc. shall form the binding basis of the contract. CIDEON shall not be liable extending beyond this.
- 10.6 If defects or deviations should be reprimanded on time and in an orderly manner by the CL, CIDEON shall be obliged to immediately perform subsequent improvements. The parties to the contract shall agree that CIDEON shall be entitled to at least a two time right of subsequent improvement in relation to the same defect. Depending on the particular case an additional right of subsequent improvement can also apply. CIDEON has the right to provide a replacement delivery instead of performing subsequent improvement.
To perform all the subsequent improvements that appear necessary using equitable discretion or to provide compensation the CL shall grant CIDEON sufficient time and opportunity to perform the necessary measures at its place of business or the production site within the standard working hours.
In the event of the repeated failure of the subsequent improvement within an appropriate term the CL is entitled to either demand a reduction of the remuneration agreed upon or the rescission of the contract.
- 10.7 CIDEON's obligation to provide a warranty requires that the defects that exist at the point in time of the transfer of risk or acceptance that can be recognised by the CL shall in the event of delivery be immediately reprimanded in writing or in the event of acceptance this shall be noted down in the log or in the case of concealed defects which only reveal themselves later CIDEON shall be immediately informed after they have been discovered.
- 10.8 CIDEON cannot provide any warranty that the programme functions and the structuring of the engineering performance meet the CL's more far reaching demands or work together in line with the selection chosen by it, if the requirements were not included in the individual contract by way of a written agreement.
- 10.9 Defects or damage shall be excluded from the warranty and from the liability clause in particular which are due to improper use, operating errors and negligent conduct on the part of the CL or by persons that can be assigned to it, of the resulting products, fire, lightning, explosions or mains related excess voltage, incorrect or faulty programmes, software and/or processing data as well as all expendable parts unless the CL proves that these were not the cause of the defect reprimanded. The warranty shall further cease to apply if there has been interference

with the engineering performances or other changes during the warranty period by parties other than CIDEON and third parties authorised to perform this work by CIDEON.

- 10.10 Warranty claims are non-transferable.
- 10.11 If the inspection of a notification of a defect reveals that a warranty case does not apply CIDEON shall be entitled to demand compensation for all expenses and charge them if they are not merely slight expenses.

Section 11 Liability

- 11.1 CIDEON shall only be liable if the prerequisite for liability of damage is provided and justified that is caused intentionally or grossly negligently and which results from a violation of an obligation to exercise diligence.
- 11.2 Liability for slight or simple negligence shall be excluded. CIDEON shall also not be liable for damage that could not be foreseen, defect damage as well as indirect damage and damage due to lost profit.
- 11.3 The CL's compensation claims shall become time-barred in 24 months.
- 11.4 Liability on the part of CIDEON shall only apply in the case of a violation of essential contractual duties and shall be restricted to the typical damage foreseeable upon the conclusion of the contract.
- 11.5 If the damage is covered by an insurance policy concluded by the customer, CIDEON shall only be liable for disadvantages suffered by the customer due to the settlement of the claim, such as a higher insurance premium or interest disadvantages.

CIDEON's liability shall remain unaffected irrespective of whether it was to blame for it, in the event of fraudulent concealment, the assumption of a guarantee or in accordance with the German product liability act.

The consequences of a default in delivery shall be conclusively regulated in Section 6 of these conditions.

The personal liability of CIDEON's managing directors, of vicarious agents and company staff as well as subcontractors commissioned for damage caused by them due to slight negligence shall be excluded.

- 11.6 CIDEON shall not assume any liability for data, lost profit or other indirect or consequential damage if intent, gross negligence, a violation of essential contractual duties and an absence of properties promised on the part of CIDEON did not apply.
- 11.7 The amount of the compensation except in cases of intent of gross negligence but in particular also in the case of simple negligence of essential duties shall be limited per claim to 20% of the amount of the order value, but to a maximum value of € 50,000.00 or if a series of infringements are treated as a single offence to a maximum value of € 100,000.00.

Section 12 Confidentiality/secretcy

The parties to the contract shall mutually undertake to only make the documents handed over in the course of the contractual relationship and information accessible to third parties with the consent of the other respective contractual partner unless these parties were permissibly provided with the delivery and performances. This confidentiality agreement shall not be applied if the documents and information conveyed were known in advance or it subsequently turns out that they were verifiably made accessible to the respective party by third parties without this confidentiality obligation being violated. In the latter case the respective contractual partner shall be immediately informed of this in writing. The CL shall undertake to integrate its employees and potential vicarious agents and subcontractors within this confidentiality agreement. The obligation to observe secrecy shall also apply extending beyond the termination of the contractual relationship.

Section 13 Enticement

The CL shall undertake during the performance of the order and for a period following this of one year not to entice any personnel from CIDEON irrespective of whether this was performed at the employee's or the CL's instigation. The enticement or attempted enticement of CIDEON's employees constitutes a gross violation of the contract. In the event of enticement the CL shall be obliged to pay for a compensation claim amounting to a 6 month gross salary of the employee enticed away. CIDEON shall undertake for its part not to entice employees away from the CL.

Section 14 Cancellation of the order

If the CL cancels the order without it being CIDEON's responsibility the CL shall owe the entire wage for the performances rendered until the cancellation and additionally owe a further payment of 15 % of the wage for the performances that are no longer to be rendered due to the termination. The CIDEON is at liberty to enforce compensation claims extending beyond this in accordance with Section 649 sentence 2 of the German Civil Code.

Section 15 Changes

In the event of changes or other specifications following the conclusion of the contract resulting in higher requirements and/or additional expenses for CIDEON the prices and potential delivery shall be agreed upon and stipulated once again. In this case the CL shall owe an appropriate payment for the performances rendered by, and expenses of, CIDEON until the change, which shall be based on the valid prices agreed upon until that point in time.

Section 16 Place of performance and place of jurisdiction

The place of performance for mutual performances and – if permissible – the sole place of jurisdiction for all claims resulting from or in conjunction with the contractual relationship shall be Bautzen.

Section 17 Applicable law

German law shall apply exclusively.

Section 18 Data protection

CIDEON is entitled to process the data relating to the CL resulting from this business relationship or in conjunction with this regardless of whether this stems from the CL itself or from third parties, in accordance with the German Federal Data Protection Act. This notice replaces the notification in accordance with the Federal Data Protection act that personal data relating to the CL be stored and further processed using computer systems.

Except where otherwise expressly provided for in writing, the Client agrees that CIDEON may use the respective project/order as a reference, naming the Client.

Section 19 Concluding provisions

- 19.1 Changes and supplements to these contractual items and these GTC need to be made in writing to be effective. This shall also apply to the effectiveness of the waiving of the written form clause or the requirement of written form in a particular case itself.
- 19.2 The effectiveness of one or several provisions of these GTC shall not affect the effectiveness of the remaining provisions. The parties to the contract shall replace the ineffective or incomplete provisions by means of an appropriate effective ruling, which corresponds to the economic purpose of the intended ruling.