

Signalion GmbH (“Signalion”)

General Conditions for the Supply of Goods and Services

1 OFFERS, CONTRACTUAL CONDITIONS AND RIGHTS TO Signalion DOCUMENTS

- 1.1 All offers and the supply of goods and services by Signalion including the licensing of software and firmware shall be solely governed by the following terms and conditions. Signalion hereby expressly rejects any purchase terms and conditions of Customer deviating from those set forth below; this shall apply even in cases where Signalion does not expressly reject such terms and conditions in individual cases.
- 1.2 Signalion's offers are not binding. A contract is concluded only when Signalion has acknowledged an order.
- 1.3 Signalion reserves unrestricted title and exploitation rights in drawings, application proposals, cost estimates and other material provided by Signalion in support of an offer. Such documents shall only be made available to third parties with Signalion's prior written consent.

2 PRICES

- 2.1 All prices shall be ex Signalion's warehouse (e.g. in Dresden, Germany) plus Value Added Tax applicable at the time of delivery.
- 2.2 If at any time between order acknowledgment and delivery, manufacturing or raw material costs for orders scheduled for delivery more than two (2) months after Signalion's order acknowledgment change due to circumstances beyond Signalion's control, Signalion shall have the right to make reasonable adjustments to prices in respect thereof.

3 TRANSPORTATION AND TRANSFER OF RISK

Transportation shall be ex Signalion's warehouse (e.g. in Dresden, Germany) at Customer's risk and expense. The same shall apply to returns, if any, without prejudice to Clause 9.9 below. Signalion shall select the carrier. Risk shall at the latest pass to Customer when the goods are handed over to the carrier.

4 DELIVERY DATES

- 4.1 Dates for the delivery of goods and services are not binding, unless they have been confirmed as binding in writing. Signalion is entitled to partial and/or early shipments and performance.
- 4.2 Compliance with delivery dates for goods and services is conditional upon timely receipt of necessary authorizations, documents to be supplied by Customer, releases and payments due, as well as the timely fulfillment of Customer's other obligations. Delivery dates are deemed met if the goods have left Signalion's warehouse or Customer has been informed that the goods are ready for dispatch on that date. Signalion may rescind a contract if the export or import documents required for delivery to Customer, in particular a necessary US export license, are not issued or if one of Signalion's suppliers does not deliver as ordered or on time.
- 4.3 If non-compliance with a delivery date is caused by force majeure, industrial dispute, unforeseeable hindrances or other circumstances beyond Signalion's control, said dates shall be reasonably extended.
- 4.4 If a delivery date has not been confirmed in writing as binding, Signalion will only be placed in default by Customer's written request for delivery, which may not be sent earlier than 1 month after the date.
- 4.5 In the event Signalion does not comply with a delivery date confirmed in writing as binding or with Customer's request in accordance with Clause 4.4 for reasons other than those stated in Clauses 4.2 and 4.3 above, Customer may rescind that part of the contract which covers the delivery or service in delay as far as Signalion is responsible therefore, provided that Customer has served a written notice granting a reasonable extension of not less than two (2) more weeks and stating its intention to withdraw from the contract in case this is not met. Should Signalion be in delay with regard to only part of a delivery or service due, Customer

may only rescind the entire contract if partial performance is of no interest to it. Other claims exist only as stated in Clause 13 (Limitation of Liability).

- 4.6 On Signalion's request, Customer shall within a reasonable period of time assert whether because of the delay in delivery Customer rescinds the contract and/or claims damages in lieu of performance or still wishes performance
- 4.7 To the extent that delivery is impossible, Customer is entitled to claim damages unless the impossibility is due to reasons beyond Signalion's control. Customer's claim for damages is limited to 10 % (ten per cent) of the value of the part of the delivery, which cannot appropriately be used because of the frustration.

5 INSTALLATION

- 5.1 Signalion will only perform installation services, if this has been agreed in writing and Customer has transported the supplied goods to the installation including in-house transportation on Customer's premises. Signalion will not perform any installation services if the item to be installed has been altered or exposed to extraordinary stress.
- 5.2 The installation service is completed when the standard functional test developed by Signalion has been run successfully. Customer confirms this by signing the test protocol.
- 5.3 Beyond the installation of supplied goods, Signalion will only connect supplied goods with third party products at Customer's request and risk.

6 DEFAULT IN ACCEPTANCE

If Customer causes Signalion's delay in delivery or performance (Default in Acceptance), the goods will be stored at Customer's risk and expense.

7 TERMS OF PAYMENT

- 7.1 Payment shall be due on delivery. If Customer causes a delay in delivery, payment shall be due when the goods are ready for shipment.
- 7.2 Subject to withdrawal of credit approval, invoices shall be payable without any deduction within 30 (thirty) days of the date of invoice. Irrespective hereof, Signalion may at any time withhold delivery until payment is tendered.
- 7.3 Customer may only set off claims, which are undisputed or recognized by declaratory judgment, against Signalion's claims for payment.
- 7.4 If payments due are not paid by Customer within 30 (thirty) days of the date of invoice, Signalion may, without prejudice to any other rights, withhold further deliveries and services and claim interest at 8% (eight per cent) above the base interest rate as per Section 247 I BGB (German Civil Code).

8 RESERVATION OF TITLE

- 8.1 All goods delivered to Customer shall remain Signalion's property (“Goods with Title Reserved”) until all claims by Signalion relating to business transacted with Customer and outstanding at the time of delivery have been settled in full.
- 8.2 Customer shall be entitled to resell or process Goods with Title Reserved in the normal course of its business, provided it does not default on its payments to Signalion. Customer is not entitled to pledge or transfer as security title to any Goods with Title Reserved.
- 8.3 Customer hereby assigns to Signalion all claims arising in relation to Goods with Title Reserved either from resale thereof or on any other legal grounds (e.g. tort), in an amount equal to their invoiced value. This shall also apply to the balance of any agreed current account. Signalion authorizes Customer to collect in Customer's name but on Signalion's behalf claims thus assigned to Signalion. Signalion shall be entitled to revoke such authorization to collect

and require that Customer discloses all such claims if Customer is in delay with any payment due to Signalion, if judgment enforcement proceedings are brought against Customer, if Customer's assets deteriorate substantially or in case of involuntary insolvency proceedings.

- 8.4 If a third party attempts to seize Goods with Title Reserved, Customer shall inform the third party that such goods are the property of Signalion and shall immediately notify Signalion. If Customer fails so to notify Signalion, Signalion shall be entitled to claim all sums outstanding immediately. To the extent that delivery has not been effected, Signalion shall have the option to deliver immediately and/or to withhold delivery until payment is tendered.
- 8.5 Any processing or treatment of Goods with Title Reserved shall be undertaken by Customer on Signalion's behalf. Signalion shall acquire title to the product of such processing or treatment in the amount of the market value of the Goods with Title Reserved at the time they are processed or treated.
- 8.6 If Goods with Title Reserved are combined with other goods, Signalion acquires pro rata joint ownership of the new product proportional to the value of the Goods with Title Reserved as compared to that of the other goods at the time of processing. If another good is deemed the major item in the processing, it is hereby agreed that Customer shall, to the extent that it owns the new product, grant Signalion joint ownership in the new product proportional to the value of the Goods with Title Reserved as compared to the value of the new product.
- 8.7 At Customer's request, Signalion shall release securities to the extent that their value exceeds the claims they secure by more than 20%.
- 8.8 In case of Customer's breach of contract, in particular default in payment, Signalion is entitled to rescind the contract and/or recover the Goods with Title Reserved. In order to recover the Goods with Title Reserved, Signalion may enter Customer's premises where these are stored, and subsequently store them or have them stored for Signalion.
- 8.9 The recovery of Goods with Title Reserved does not require Signalion to rescind the contract; a rescission requires Signalion's express statement to that end.

9 MATERIAL DEFECTS

- 9.1 If during the limitation period in Clause 9.4 a product shows a defect, which already existed at the time of transfer of risk, Signalion will at its option and expense repair or replace it. In case of services, Signalion will free of charge improve or repeat the service.
- 9.2 A product or service is defective, if it does not conform to the written agreement between Signalion and Customer; the lack of a feature, which Customer expects because of Signalion's public statements, in particular in advertising, only constitute a defect if such feature was listed in such written agreement. In the absence of a written agreement a product or service is only defective if it does not conform to Signalion's specification.
- 9.3 Customer's claims for defects are excluded:
- for development samples, prototypes and preproduction deliveries;
 - for insignificant divergences from the agreement or specification;
 - for insignificant impairment of usability;
 - for damages caused after the transfer of risk by external influences such as fire, water, currency surge, etc.; improper installation, operation, use or maintenance; use in fields of application and environmental conditions other than those expressly specified by Signalion; and use in combination with other products not approved by Signalion for this purpose, excessive stress or normal wear and tear;
 - for software defects, which cannot be reproduced;
 - for Customer's or a third party's improper alterations or repairs of products and results therefrom;
 - in as far as Customer has not notified Signalion of apparent defects within five (5) business days of delivery and of hidden defects within five (5) business days of discovery.

- 9.4 The limitation period for warranty claims is twelve (12) months. This does not apply in cases of fraud, intent, gross negligence and personal injury. Repeat performance does not restart the limitation period.
- 9.5 During negotiations between Customer and Signalion regarding Customer's rights because of an alleged defect, the statute of limitation shall only be suspended with regard to this alleged defect. Negotiations, which suspend the statute of limitation, commence upon Signalion's receipt of written notification of the alleged defect. Negotiations, which suspend the statute of limitation, end when Signalion has repeated performance or such repeat performance has failed, when one party notifies the other in writing that it terminates the negotiations, or 3 months after the last statement of one party regarding the alleged defect was received by the other party.
- 9.6 Customer has to always first provide Signalion the opportunity to repeat its performance within a reasonable period of time. Repeat performance does not constitute acceptance of a legal obligation.
- 9.7 If the repeat performance fails even within an additional period of time of reasonable length to be granted by Customer, Customer shall, notwithstanding its claims under Clause 13, if any, be entitled to rescind the contract or to claim a price reduction.
- 9.8 Customer's claims for compensation for expenses necessitated by Signalion's repeat performance, in particular transportation, travel, labor and material costs, are excluded as far as such are increased because products have been moved from the original place of delivery other than in line with the regular use of the products known at the time the contract was entered into.
- 9.9 If the analysis of an alleged defect shows that it is not covered by the above warranty, Signalion shall charge for the failure analysis and repair, if any, at Signalion's then applicable rates; in this case, the shipment costs for the return of products will not be reimbursed and their return shall be at Customer's expense and risk.

10 INTELLECTUAL PROPERTY RIGHTS; DEFECTS IN TITLE

- 10.1 If a third party brings a legitimate claim against Customer because the use of delivered products in accordance with the contract in a country, which is a signatory to the European Patent Convention, constitutes infringement of an intellectual property right (e.g. a patent, copyright, or trademark), Signalion shall be liable to Customer during the time period in Clause 9.4 as follows:
- Signalion shall at its expense and discretion either procure for Customer the right to continue to use such products or replace or modify such products so that there is no longer an infringement. If this is not possible with reasonable means, Customer shall be entitled to the statutory rights to rescind the contract or reduce the price. Customer cannot demand reimbursement for expenses incurred in vain.
 - The liability for damages is in accordance with Clause 13.
 - Signalion's above obligations exist only to the extent that Customer has promptly and in writing informed Signalion of the claims asserted by the third party and has not recognized an infringement of the third party's rights, and as far as the entire defense and the settlement negotiations are reserved for Signalion. If Customer discontinues the use of products for damage reduction or other important reasons, Customer is obligated to point out to the third party that the discontinuation of use does not constitute an acknowledgement of an infringement of intellectual property rights.
- 10.2 Customer's claims are excluded as far as Customer is responsible for the infringement of the intellectual property rights.
- 10.3 Customer's claims are furthermore excluded to the extent that the infringement results from compliance with Customer's specifications and to the extent that the infringement results from the modification of a product, the combination of a product with other items or the use of products or parts thereof in a process, provided that the product as such does not infringe the intellectual property right.
- 10.4 In addition, Customer's claims are excluded for infringing acts after Customer has been warned or has otherwise become aware of a possible infringement, unless Signalion has in writing agreed to further infringements.

- 10.5 If a claim as stated in Clause 10.1 is brought against Customer, Signalion shall be entitled to rescind the contract with regard to outstanding deliveries.
- 10.6 The sale of products does not include a license to use Signalion intellectual property rights, which cover a combination of products or products respectively processes, in which the products are used or can be used.
- 10.7 Clause 9 applies to all other defects in title.
- 10.8 All claims against Signalion and its agents because of a defect in title, which go beyond or differ from those in this Clause 10, are excluded.
- 10.9 Customer likewise is liable to Signalion, if claims are alleged against Signalion because of an alleged infringement of intellectual property rights, which are based on Signalion's compliance with Customer's instructions or modification of products for Customer.

11 FIRM- AND SOFTWARE

- 11.1 Signalion shall retain all title and exploitation rights (in particular the right to modify, copy, etc.) to Signalion firmware contained in electronic equipment. Customer's sole right shall be to use such firmware as part of such electronic equipment delivered. Any further use is subject to a separate license agreement between Signalion and Customer.
- 11.2 Signalion software is licensed on the terms and conditions of the software license agreement accepted by Customer during installation, first use or downloading of the software.
- 11.3 If Signalion delivers third party software, Customer's right to use said software shall be governed by the software license agreement to be executed directly between Customer and the third party.

12 HIGH RISK AND MILITARY APPLICATIONS

- 12.1 The use of products in safety-critical applications where a failure of the product would reasonably be expected to cause severe personal injury or death requires a separate agreement between Signalion and Customer specifically governing such use. Customer shall fully indemnify Signalion and its agents against any damages arising out of the unauthorized use of products in such safety-critical applications.
- 12.2 Furthermore, products are not intended for use in military, aerospace or automotive applications or environments. Any such use is solely at Customer's risk and Customer is solely responsible for compliance with all legal and other requirements for such use.

13 LIMITATION OF LIABILITY

- 13.1 Signalion is only liable for damages caused by slight negligence if such are due to a material breach of duty, which endangers the achievement of the objective of the contract, or the failure to comply with duties, the very discharge of which is an essential prerequisite for the proper performance of the contract.
- 13.2 In cases of Clause 13.1, the liability is limited to the damage, which is typical for such contracts and which could have been foreseen.
- 13.3 Signalion's liability is also limited to the damage, which is typical for such contracts and which could have been foreseen for damages caused by the gross negligence of an agent or an employee of Signalion, who is not an officer or executive of Signalion.
- 13.4 In cases of Clauses 13.1 and 13.3, Signalion's liability is limited to a maximum amount of EURO 500.000, respectively EURO 100.000 for financial losses.
- 13.5 Customer's claims for damages caused by slight negligence or caused by the gross negligence of an agent or an employee of Signalion, who is not an officer or executive of Signalion, which are not based on defects and thus not subject to time-barring in accordance with Clause 9.4 are time-barred at the latest 2 years from the point in time Customer became aware of the damage and regardless of Customer's awareness at the latest 3 years after the damaging event.
- 13.6 With the exception of liability under the Product Liability Law, for defects after having given a guarantee, for fraudulently concealed defects and for personal injury, the above limitations of liability shall apply to all claims, irrespective of their legal basis, in particular to all claims based on breach of contract or tort.

- 13.7 The above limitations of liability also apply in case of Customer's claims for damages against Signalion's employees or agents.

14 EXPORT CONTROL

In recognition of U.S. and locally applicable (in particular European and German) export control laws and regulations, Customer hereby agrees not to export or re-export, directly or indirectly, any product or technical data (as defined by the U.S. Export Administration Regulations or locally applicable export control laws or regulations) including software received from Signalion, or any direct product, process or services derived from such technical data including software, to any destination to which such export or re-export is restricted or prohibited by U.S. or locally applicable law or regulations, without obtaining, at Customer's own expense, prior authorization from the U.S. Department of Commerce and/or other competent government authorities to the extent required by those laws or regulations. In case an export authorization is refused, Customer shall not be entitled to return products or technical data or ask for compensation. This Clause shall survive the termination or expiration of the contractual relationship between Signalion and Customer.

15 FURTHER DISTRIBUTION

Products are not provided to Customer hereunder for further distribution, but exclusively for Buyer's own use or integration into Customer's products.

16 MISCELLANEOUS

- 16.1 There are no separate oral agreements; any supplementary agreements or modifications hereto must be made in writing. This also applies to any waiver of this requirement of written form.
- 16.2 Signalion not exercising any of its rights does not constitute a waiver of its right to exercise such right in the future.
- 16.3 Any assignment of rights and claims with the exception of claims for payment is subject to the other party's prior written approval.
- 16.4 If any provision in these terms and conditions or part of any provision shall be or become invalid, the other provisions as well as the other part of the provision shall remain valid.
- 16.5 German law applies with the exception of its conflict of laws rules. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.
- 16.6 Exclusive venue shall be Dresden.
- 16.7 The above is a convenience translation of the German original of Signalion's "Allgemeine Bedingungen für Lieferungen und Leistungen" ("Terms and Conditions for the Supply of Products and Services"). In the event of a dispute between Signalion and Customer only the German language version shall prevail.

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Changes reserved