

GENERAL TERMS AND CONDITIONS - As of July 2011

I. Scope of applicability

All the deliveries and services of Hitest GmbH (hereinafter referred to as Hitest) associated with the performance of research and development, the creation of test software and hardware, the testing and finishing of structural members and subassemblies and consultations and analyses are governed exclusively by the following General Terms and Conditions (hereinafter referred to as GTC). When an order is placed with Hitest, its GTC shall be deemed to be accepted unless the customer expressly objects to the validity thereof when placing the order. Changes to the GTC shall from the point at which they become valid also become an integral part of current contracts if the customer in spite of a specific reference to his right to object fails to object to the change(s) within a period of one month of being notified thereof. General terms and conditions of customers shall not give rise to any legal consequences.

II. General provisions pertaining to order completion

1. Scope and performance of research and development services

The services owed by Hitest shall result from the offer, modified if necessary by the acknowledgement of order. All agreements, including addenda, amendments and ancillary agreements must be exclusively in writing. If the placing of an order deviates from the underlying offer, then the deviations shall only be deemed to be agreed on the express written acknowledgement of Hitest. The offer and all the documents submitted by Hitest in this regard shall not be duplicated or made accessible to third parties and shall remain the property of Hitest. They are only to be used within the framework of the contract and must be returned on demand if the offer fails to result in the placing of an order. Deadlines and time limits for deliveries and services shall only become binding when they have been confirmed in writing by Hitest. The transfer of the customer's rights and obligations arising from the contract shall require the prior consent of Hitest. Agreed deadlines and time limits shall be subject to the proviso that the suppliers, subcontractors or cooperation partners of Hitest fulfill their obligations. Events of force majeure, general supply difficulties, hindrances of general movements of goods, unforeseeable manpower shortages, strikes, official orders or other plant interruptions or other disturbances for which Hitest cannot be held responsible on the premises of Hitest or its suppliers, subcontractors or cooperation partners and the consequences thereof shall for the duration of the interruption or disturbance and to the extent of its effects exempt Hitest from its duty of performance. Such events shall give Hitest to the exclusion of any obligation to pay damages the right not to render contractual services. In such cases, Hitest shall inform the customer without delay about the non-rendered service and reimburse counter performances already rendered. Hitest shall also have the right to render part performance to a reasonable extent.

2. Work materials to be provided by the customer and rights

The customer shall undertake to make available in good time to Hitest all the documents, information, components, materials and equipment required to complete the order. These work materials may be treated as correct and complete unless the checking thereof is by express agreement an integral part of the order. If the customer or third parties called in by him provide(s) assistance in implementing the order, the relevant laws, ordinances, accident-prevention regulations, VDE provisions, DIN standards and similar regulations must be observed. The customer shall ensure that industrial property rights of third parties are not infringed by the supply and use of work materials and shall exempt Hitest from all claims. License fees, compensation or costs which are incurred in the avoidance of industrial property right infringements shall be borne by the customer. The customer shall bear the costs and risk of delivery of the work materials supplied by him if a collection by Hitest has not been agreed. If dispatched by the customer, the work materials must be packed properly and if necessary in accordance with instructions given by Hitest. The customer shall take out transportation insurance. He shall be liable for all damage resulting from the quality of the work materials and must provide written notification of all notes on dangers and risks and handling instructions known to him.

3. Contract performance

Hitest shall perform accepted orders in accordance with the recognized rules of technology and in accordance with the statutory and official provisions in existence at the time of performance. A guarantee shall not be made for the technical regulations and the correctness of the safety programmes or regulations that underlie the tests and inspections. Should it prove necessary during performance of the order to extend or alter the technical or personnel outlay in order to achieve the contractual service, then Hitest shall notify the customer without delay. The parties shall then agree together the extent to which and the costs at which the order is to be completed. If agreement is not reached, then both parties shall be entitled to terminate the contract by written declaration. In this event, Hitest shall be entitled to reimbursement of all the expenses hitherto incurred and to a payment that corresponds to the service expenditure.

4. Subcontractors

Hitest shall be entitled to have its services carried out by subcontractors whom it has carefully selected and who to it appear suitable. Hitest shall, regardless of any other agreements, have copyright on expert reports and test results drawn up if necessary by such subcontractors.

5. Work result, acceptance and duty to examine

Unless other agreements are applicable, Hitest shall pass on to the customer in a final report (in both written and electronic form) the findings and discoveries it makes in the

course of completing the order during research and development consultations, analyses or tests.

In the case of the construction and finishing of structural parts and subassemblies or the manufacture of test hardware, Hitest shall hand over for acceptance the work result in physical form together with a final report. For acceptance of the work result, an acceptance record to be signed by both contracting parties shall be drawn up. On acceptance the risk shall pass to the customer, even if the work result remains with Hitest for further use.

In the case of the production of test software for installation on the customer's premises, only the compiled version of the test program shall be handed over. Changes in the test program shall be made exclusively by Hitest. The customer may be permitted to view the source code for the purpose of troubleshooting. The source code shall only be published on the basis of a special agreement.

Partial services by Hitest that are completed in themselves and are usable for the customer shall be accepted on the former's demand; the period of limitation shall then begin with the delivery of the relevant partial service or partial acceptance.

If the work result is dispatched, the customer must examine the delivered research and development result immediately and lodge any complaint relating to defects or inadequate or incorrect deliveries without delay. Claims arising from detectable defects will only be entertained if they are submitted in writing to Hitest within a period of 14 days of the delivery in question and if the customer is an entrepreneur, merchant, legal entity under public law or special fund under public law. Latent defects must be declared immediately after they have been discovered - but within the statutory warranty period.

In the absence of an express deviating agreement, the work result shall be delivered "ex works" (Incoterms 2010). The customer shall ensure that unauthorized third parties are denied access to work results to be delivered. If dispatch of the work result is delayed by the customer, then the risk passes to the customer from the day that the work result is ready for dispatch. In the absence of a conflicting agreement, work materials on completion of the order shall be stored uninsured at Hitest for such time as to allow continued use when stored in accordance with state-of-the-art technology, but for a period not exceeding twelve months from the point at which the test report is mailed. Once this period has expired, particularly in the case of special disposal required by law, Hitest shall be permitted to destroy work materials at the customer's expense. Work materials shall be returned uninsured at the customer's request and expense only.

6. Warranty and guarantee

Warranty claims on the part of the customer shall be restricted to substitute-delivery and defect-remedy claims. Hitest shall have the right of choice. The latter shall be permitted to make a reasonable number of attempts at defect remedying or substitute delivery, but at least two. If these attempts fail or do not result in success within a reasonable period of time, then the customer shall be permitted to choose between cancelling the contract and reducing payment. Warranty claims shall be statute-barred within a period of one year from delivery or acceptance, and this shall also apply to expert reports or test software. There shall be no right to reimbursement of the correction of faults with the reimbursement of costs. All warranty claims by the customer shall cease to apply if a material defect results from a situation where the customer or a third party without Hitest's consent alters, incorrectly uses or repairs work results or fails to install, operate or maintain products in accordance with the instructions for use. However, the abovementioned restrictions of warranty shall not apply if the warranty claims in question are founded on intent or gross negligence on the part of Hitest, its legal representatives, employees or vicarious agents, or if damage to life, limb or health has been incurred as a result of the latter's fault. Further claims, in particular claims for damages, shall be restricted in accordance with the following provisions. A guarantee bond of Hitest shall only then exist if the content of the guarantee and the duration and geographical area of applicability of the guarantee protection are sufficiently determined in writing.

7. Liability

The liability of Hitest shall essentially be limited to 5% of the sum total of the order. If required and at the customer's expense, however, a higher liability can be agreed, provided it is possible to recover Hitest with a third-party risk insurer.

The statutory upper limits of liability shall apply in respect of customers who are not merchants, entrepreneurs, legal entities under public law or special funds under public law.

Liability for simple negligence in the event of violation of non-fundamental contractual obligations shall be excluded, and also for tortious claims, insofar as they compete with contractual claims. However, with a restriction to the foreseeable contract-typical damage, Hitest shall be liable for damage arising from simply negligent violation of fundamental contractual obligations (cardinal obligation or fundamental secondary obligation) in the event of simply negligent impossibility or simply negligent delayed performance.

The same shall apply to damage arising from injury to life, limb or health, if Hitest is responsible for the breach of duty, and to damage incurred as a result of malicious silence with regard to a defect or to the defect of a warranted quality. The breach of duty of Hitest's legal representative or vicarious agent shall be equal to that of Hitest itself.

8. Product liability

Liability in accordance with product-liability legislation shall remain unaffected.

However, in relation to third parties, in particular the end user, the customer exclusively shall be the manufacturer for the purpose of statutory product responsibility. Insofar as there may be liability on the part of Hitest for the work result, the customer shall exempt it completely from all corresponding obligations.

III. Terms of payment

1. Part payments in the event of partial acceptance

Hitest shall be entitled - in the case of order values in excess of 10,000.00 EUROS or in the case of orders where the handling is expected to extend over a period of more than one month - to issue intermediate invoices in accordance with the incurred expenses.

2. Due date and default

Invoices shall be due and payable in full within a period of fourteen days of receipt. In the event of a default in payment Hitest shall charge arrears to the amount of 5% above the base interest rate p.a. laid down by the Deutsche Bundesbank, if necessary a provably higher damage caused by delayed performance. If the customer is a merchant, the interest after due date shall be 8 % above the respective base rate. In addition, in the event of default in payment, an amount of 3.00 Euros shall be due for each dunning letter. The customer shall have the right to proof that Hitest has not incurred wider damage, has incurred essentially lower damage or dunning costs have turned out to be lower.

3. Invoice complaints

The customer must inform Hitest in writing of invoice complaints supported by reasoned opinion within a period of two weeks upon receipt of the invoice in question. Otherwise the invoice shall be deemed to be accepted, to which Hitest shall expressly refer the customer at the start of the time period (term of preclusion).

4. Deterioration of assets and insolvency

Should Hitest become aware of indications of deterioration in the customer's creditworthiness or of his insolvency, it shall be permitted to make its services dependent on advance payment, even when Hitest acquires this knowledge only at such point between conclusion of the contract and performance or after part performance. If the customer refuses to pay in advance or fails to perform even after a deadline has been set by Hitest, the latter shall be entitled to withdraw from the contract as well as to compensation in damages. If an insolvency application affecting the customer is made or insolvency proceedings are initiated, Hitest shall have the immediate right to claim rescission of the contract and damages, whereby all payment claims on the part of Hitest shall become immediately due and payable on receipt by the customer of the notice of rescission.

5. Retention of ownership

Hitest shall retain ownership of delivered products until all including future outstanding accounts are paid for in full (conditional commodity). Rights of use may not be pledged or assigned as security. Every processing of the conditional commodity shall be for Hitest. When this commodity is installed in third party goods by the customer, Hitest shall become joint owner of the newly created products in the ratio of the value of the conditional commodity to the other goods contained in the product; the parties shall likewise consider these products to be a conditional commodity. The customer shall be permitted - only under retention of ownership - to dispose of these products further, but other dispositions, in particular pledges and assignments as security, shall not be permitted. If the customer stops payments, if an application is made to open insolvency proceedings against the customer's assets or proceedings are opened, or a provisional insolvency manager is called in, then the aforementioned rights of the customer shall be extinguished. After termination of the contract Hitest shall be permitted to demand recovery of possession of the conditional commodity or assignment of the customer's claims to recover possession. The customer shall undertake to cooperate in outstanding account realization. Hitest shall release the security if the value thereof exceeds all the outstanding accounts to be secured by more than 10%. If the national right at the customer's domicile does not permit retention of ownership, Hitest shall be entitled to reserve and exercise equal rights. The customer must then cooperate in the necessary measures. Hitest shall at any case insist on a simple retention of ownership.

6. Prohibition to offset and rights of retention

The customer shall have rights to offset only if his counterclaims are recognized by declaratory judgment, undisputed or recognized by Hitest in writing. The same shall apply to customers who are entrepreneurs, merchants, legal entities under public law or special funds under public law for the exercise of rights of retention. If the customer belongs to the aforementioned customer group, he shall have a right of retention if his claims are based on the same legal relationship as his duties and obligations.

IV. Industrial property rights

1. Copyright protection

Hitest shall retain the copyright on all work results. The customer shall only be permitted to use the work results produced within the framework of the order after payment in full and for the purpose for which it is intended as agreed. The publication and duplication of Hitest's work results, or the use of extracts thereof, shall require the prior written consent of Hitest. This shall also apply to the use in connection with an order for advertising purposes of the name "Hitest"

2. Confidentiality

The contracting parties shall promise to treat in confidence the information received from one another and the know-how and other knowledge acquired in the course of performing the contract. Such knowledge shall be exclusively for the use of the contracting parties within the framework of the contractual relationship.

Both parties shall promise to treat in confidence possible inventions and industrial property right registrations until they are published. This obligation shall continue even after this contract has come to an end.

3. Already existing industrial property rights

The contractual relationship leaves unaffected the legal situation with regard to the industrial property rights of both contracting parties at the time of the conclusion of the contract. If, however, during the performance of the order, knowhow of Hitest is used which the customer needs to utilize the work result he shall acquire free of charge a non-exclusive, non-transferrable right of use.

If, during the performance of the order, industrial property rights and copyrights of Hitest are used which the customer needs to utilize the work result, he shall acquire for an appropriate fee a non-exclusive, non-transferrable right of use. Hitest shall always acquire free of charge a non-exclusive, non-transferrable right of use in industrial property rights and copyrights which accrue during work carried out in the course of the order.

4. Newly accruing industrial property rights and utilization thereof

The parties shall undertake without restriction to claim and without delay to register as industrial property rights in their own names the employees' inventions relating to the work result which are devised during the performance of the order in accordance with the statutory requirements governing employees' inventions. If employees of more than one contracting party are involved in inventions (joint inventions), then the contracting parties shall be jointly entitled to these inventions together with the registered and granted industrial property rights, otherwise the contracting party whose employees are the inventors alone shall be entitled to the above rights (individual inventions). In the internal relationship of the contracting parties the entitlement to the inventions shall be apportioned in the ratio of the true inventor shares of their employees. The costs of industrial property rights registered solely in their own name shall be borne by each party itself.

Both parties shall not attack old industrial property rights or even new industrial property rights during the performance of the order and shall at their own expense defend industrial property rights to which they are solely entitled against attacks by third parties. With regard to joint inventions the parties shall bear the costs proportionately and in case of doubt in equal parts.

5. Publications

In the absence of other agreements, Hitest and its employees shall by arrangement with the customer be entitled to scientific publications about the work results obtained during the performance of the order insofar as they have basically scientific findings as their subject.

V. Final provisions

1. Data Processing

Hitest while complying with the German Data Protection Law shall be entitled to store and to process personal and economic data of the customer, whether these data originate from the customer himself or from third parties.

2. Place of jurisdiction

Provided the parties have not expressly agreed otherwise, the place of fulfillment for both contracting parties shall be the registered office of Hitest. The place of jurisdiction, if the customer is a merchant, legal entity under public law or special fund under public law, shall for both parties be Hanover, Germany. However, Hitest shall have the right to take legal action at the customer's place of business. Hanover shall - even if the customer is not a merchant - also be the place of jurisdiction if the customer does not have a general place of jurisdiction in Germany, moves his customary place of residence out of the Federal Republic of Germany after conclusion of the contract or his customary place of residence is not known at the point when legal action is brought.

3. Choice of law

The legal relationship between Hitest and the customer shall be subject to the laws of the Federal Republic of Germany to the exclusion of the UN Uniform Law on the International Sale of Goods and the conflict-of-law provisions of German law, even when goods or services are ordered from another country or supplied to another country. The English GTC are for information purposes only. The German contract text alone shall provide the legal basis for the contractual relationship.

4. Conditions in respect of nonmerchants

If customers are not entrepreneurs, merchants, legal entities under public law or special funds under public law, an order of Hitest can also be accepted without written confirmation, agreed order periods and delivery dates shall always be binding and warranty periods and upper limits of liability are determined exclusively according to law.

5. Severability clause

Should individual provisions of the contract be wholly or partially void, the validity of the remaining provisions shall remain unaffected. The same applies in the event of a regulation loophole.