General Terms and Conditions of Business for EUROS Embedded Systems GmbH

1 Subject-matter of the Terms and Conditions

The following general terms and conditions form the basis to all deliveries, performances and offers of the EUROS Embedded Systems GmbH (hereinafter called EUROS).

These conditions find application towards entrepreneurs, legal persons of the public law and special legal estate subject to public law (customer). The customer agrees by their acceptance without contradiction with her exclusive validity for the respective delivery as well as subsequent dealings. Terms of business or purchase conditions of the customer are valid only in this respect, as EUROS has agreed to them expressly in writing.

The extent of EUROS deliverables is defined solely by the written contracts. The General Terms and Conditions of Business apply in addition to the individual license terms for System Software and the software maintenance contract.

The use, maintenance and customer support refer in each case to a specific System Software, handed over in the form of development and / or production licences, which are used by customers on a specific central units, (CPU, processor, microprocessor and / or microcontroller).

The System Software is provided by EUROS in an optimised version and in a debug version. The debug versions make it easier to develop and test applications by having additional test, trace and statistic functions. The performance profile with regard to the speed of operation, reaction times and memory capacity required will only be achieved with the optimised version which does not incorporate these additional functions.

The customer develops his application by using the System Software. Therefore, the customer himself is responsible for ensuring, that the system software for the use is suitable in the target system. . The customer shall repeat the tests on the target systems before the application of the system software and after every update on the target system.

According to the present status of the technology the occurrence of programm errors in Software can not be excluded completely. Hense, the object of the general terms and conditions is only one software which is basically useful within the meaning of the program description and the user's manual.

Technical data, specifications, product and / or software descriptions, descriptions of quality or other performance descriptions show no assurances or guaranties of quality.

2 System Software Assignment

EUROS grants to the customer a non-exclusive and non-transferable right unlimited in time or at a rent for a limited period of time to use the System Software in accordance with these terms and conditions on a specific CPU architecture (Hardware).

The System Software is handed over as object code on the basis of development licences and production licences - also known as runtime licences.

The development licence entitles the customer to develop and test his application himself with the assistance of the System Software. The production licences entitles the customer to use the System Software in the manufactured product. The development licences

In the development stage the customer ascertains which parts of the System Software are actually required in his application. By scaling the System Software it is possible to provide just some of the overall function. The price for the production licences will be based on the functions actually used.

The user conducts the installation and induction himself. At request EUROS can provide support - on site as well - in return for a separate fee.

The software development tools such as Editor, Compiler or Linker are **not** an integral component of the System Software. The user himself decides which tools

he would like to use. Those tools which are normally used for cross development and which are supported by EUROS are to be used. The user has to enquire about the availability of System Software for the requested tool chain.

2.1 Background framework for development licences

The development licences will be invoiced relating to the number of installations (PC work seats and / or number of users in PC networks).

· Development licences are issued to only one PC work seat.

· Issued development licences are not limited by purchase timewise and are limited in time with hire contracts by the term of contract.

2.2 Background framework for production licences

Production licences are calculated based on the number of their installations per year. They can only be acquired in connection with a development licence. The production licences can be acquired in progressive rates.

Production licences are invoiced relating to the number of their installations. They can only be acquired in connection with a development licence. The production licences can be acquired in stages. Granted production licences are:

· spatiotemporal unlimited
· can only be acquired by purchase.
The user shall keep records or makes a type code, by which the use of a production license on the product can be ascertained. Based on the sales figures it can be determined how many production licenses have been consumed by the user. The user has to submit those figures to EUROS on request.

2.3 Method of delivery

The system software including documentation will be handed out to the customer by means of a data storage medium or provided by download.

3 Scope of use

3.1 EUROS grants to the customer a non-exclusive and non-transferable right to to use the software on a server or on a single computer and to use the number of workplaces agreed in writing in the licence.

3.2 The user is entitled to install the software as one-seat version on one single computer as well as for one single user. With acquisition of a multi user-licence the right of use is valid for only the agreed number of concurrent accesses, ie for the agreed number of clients which work at the same time with the software. A simultaneous use exceeding the agreed extent of the software is inadmissible. The application of the software on a server is only allowed if is made sure that a simultaneous use from more than the agreed number from clients is excluded

3.3 The user undertakes to use the software only for own purposes. The user is not allowed to remove references to proprietary rights or legal ownership which are mounted on data storage media, documentation or other material. The assignment of rights and duties from the System Software assignment contract, in particular passing on software or documents to third parties shall require the prior written consent of EUROS.

3.4 The preparation of copies or other reproductions of the software handed over or documents shall only be allowed for personal consumption, in particular for back-up or archiving purposes. To the necessary duplications belongs the first-time installation of the software from the data medium or after the download on the hard disk of the used hardware as well as the loading of the software in the working memory.

3.5 The customer is allowed to copy the software for the purpose of the date protection once on a lasting data carrier. Other duplications are not permitted.

3.6 It is forbidden for the user to perform reverse engineering in order to obtain source code from the System Software (E.g. by decompilation or disassembly).

3.7 In case of hardware change the customer commits to remove the software from the hard disk of the previously used hardware .

3.8 The user shall treat all information on System Software, the methods and systems used as well as the documents relating to System Software in a confidential manner and shall make all the necessary precautions to prevent third parties from gaining unauthorised access to the System Software E. When the use of the System Software or the rental contract has come to an end, System Software handed over plus documents including copies prepared by the user are to be returned to EUROS without having to ask for their return

3.9 The user shall be liable to EUROS for damage caused on the basis of misuse of the System Software, in particular if System Software continues to be used after notice of termination has been served or the System Software plus documents are passed on to third parties.

4 Maintenance of System Software

4.1 General
EUROS develops the System Software on a continual basis in its organisational set up, in the program sequence as well as the documentation. Improved or new versions of the System Software are developed by EUROS as required. In each case only the latest version of the System Software shall be maintained.

4.2 Maintenance contract

4.2.1 When making a purchase the customer has the opportunity to sign a maintenance contract for the acquired SYSTEM SOFTWARE. The maintenance contract shall include all the SYSTEM SOFTWARE components.

4.2.2 If renting, a maintenance contract has to be signed at the same time as signing a rental contract.

4.2.3 The maintenance contract includes supporting the customer if application problems arise, in so far as they affect the SYSTEM SOFTWARE, and the correction of defects beyond the period covered by warranty. The SYSTEM SOFTWARE versions improved on a continual basis are provided free of charge.

4.2.4 The removal of malfunctions and damages which are caused by improper treatment of the System Software by the customer, by effect of third or by force majeure is not an object of a software maintenance contract, however, in particular cases it can be agreed in return for a separate fee. Same is valid for damages and disturbances which are caused by environmental conditions at the installation place, faulty hardware or other effects which are not represented by the supplier.

4.2.5 The maintenance contract begins when the purchase / rental contract comes into force and shall be concluded for at least one year. If a purchase contract is signed, the maintenance contract shall automatically be extended by a further year at the terms and conditions in force at that time if 3 months' notice of termination is not served to the end of the current maintenance period by one of the parties in writing and sent by registered letter. If renting, the term of the maintenance period shall be the same as the term of the rental period. The right to serve immediate notice of termination for an important reason shall not be affected by this. As a matter of principle the maintenance contract can not be interrupted. In the event that the maintenance contract is interrupted, the missing payments are to be paid with a mark-up of 20%.

4.2.6 In the event of purchase, the payments for the maintenance contract shall be payable either at the beginning of each month or at the beginning of each calendar year in advance. In the event of renting, the payments shall be payable at the beginning of the month together with the rent.

4.2.7 EUROS reserves the right to amend the maintenance fee by serving 3 months' notice if there is a change in cost factors affecting the maintenance, or the scope of function or the efficiency of the System Software is expanded for the benefit of the customer by using a new version.

If the fee increases by more than 7.5% per 12 months following the last occasion on which the fee was set, the user shall be entitled to terminate the contract by observing a notice period of one month to the end of the month before the increase in fees comes into force.

4.3 Acquisition of new versions

If the customer does not have a maintenance contract, he will be notified of improved and new versions of EUROS and can acquire or rent it at a reduced price (see 9.3).

5. Defects in System Software

5.1 A defect in the SYSTEM SOFTWARE exist, if it does not work as described or if a warranted quality is missing.

5.2 Defects shall be corrected within the period covered by warranty or valid maintenance contract by EUROS within a reasonable period of time.

5.3 Defects are to be reported to EUROS immediately in writing and with appropriate information to enable the cause of the defect to be identified in accordance with "Leaflet on the preparation of a problem report".

5.4 The investigation and the correction of defects take place at the premises of EUROS. The costs incurred for investigation and correction of defects on site shall be borne by the customer in accordance with the current price list of EUROS.

5.5 EUROS removes shortages in the affected System Software, and provides the customer with a newer version of the System Software or offer him a solution by means of a so-called "workaround". The customer shall accept a new version of the System Software unless accepting it would entail unreasonable disadvantages. An unreasonable disadvantage will, for example, be considered to be if a modification of the remaining user software which may be necessary is not possible for technical reasons. When retaining the old versions of the System Software, separate prices shall be agreed. If the user himself or a third party appointed by the user has carried out modifications or extensions in the System Software, he must not use such modifications or expansions to justify an unreasonable disadvantage.

If the shortage cannot be ascertained with review by EUROS, the customer bears the costs for the audit of the application, in particular with faulty use of the system software or by presentation of other disturbances not to be represented by EUROS.

5.6 If the defect can not be identified ascertained with review by EUROS, the user shall consequently bear the costs of inspecting the application, in particular if the System Software is used incorrectly or if there are other faults for which EUROS is not responsible for.

6 Services which have to be paid for separately

6.1 The provision of printed documentation, as well as the transport expenses, installation expenses and training expenses are not included in the lump sum remuneration according to the order note and are calculated separately.

6.2 If the customer orders services from EUROS in excess of the handing over, maintenance and customer support within the meaning of Items 2.1 and 2.2 of these terms and conditions, EUROS can consequently render such services at the terms and conditions and prices in force at that time.

7 Performance of services

7.1 The normal working hours of EUROS are Mon – Fri 9.00 to 17.00 in EUROS premises or in exceptional cases by agreement in the customer's premises. In the latter case the travelling time for the outward and return journey shall be invoiced in accordance with the price list.

7.2 EUROS shall render his services with technical aids, which EUROS regards as being necessary and appropriate and which are available to EUROS, including any remote support which may be introduced.

7.3 EUROS shall be entitled to appoint sub-contractors to carry out the work.

7.4 The customer shall furnish an assurance that during the term of the contract he shall provide specialist and knowledgeable staff to operate the system and staff trained in the use of the System Software.

8 Reservation of proprietary rights:

8.1 Up to the entire payment of the claims resulted in connection with the contractual relationship of EUROS by the customer the unlimited property right and right of use the standard software – remains in particular in the insolvency case – with EUROS.

8.2 In violation of the contract by the customer, in particular in case of default or bankruptcy is expected, EUROS is entitled to take back the reservation product at the expenses of the customer or to require the assignment of any publication claims of the customer against third. These rights also exist if secure demands have come under the statute of limitations.

8.3 If the customer incorporates the licensed system software in house services / products, with or without the consent of EUROS, so EUROS acquires co-ownership to this new services / products and provided contents (subject matter), namely at the ratio of the value of his system software (the subject) to the total value of the new objects and the Licensee shall now - in case of resale - irrevocably assign the resulting claim to EUROS (extended reservation of proprietary rights).

8.4 In case of access of third parties to the new products, the user has to make aware the third part of the proprietary rights of EUROS and to inform EUROS about this in writing.

9 Remuneration and terms and conditions of payment

9.1 Non-recurrent fees as well as annual fees as well as annual fees become due with invoice preservation.
· Payments for the development licences are due become due with order preservation.
· Payments for rent are payable in advance at the beginning of the month.
· Payments for production licences are payable by agreement.

9.2 The provision of other services not specified in the order note as well as travelling expenses (fuel or tickets, travelling time and out-of-pocket expenses) shall be invoiced in accordance with the EUROS price list in force at that time and shall be payable immediately.

9.3 New versions of products not covered by maintenance arrangements can be acquired separately at 75% of the current list price.

9.4 All prices get on plus the sales tax valid in each case with performance and are payable with maturity without deduction immediately. Claim of a customer to EUROS can be charged only if they are ascertained legally or are not denied. Rights of retention of the customer are excluded

9.5 In case of the default EUROS can require interest at the rate of 8% above the respective base interest rate clause of the German Central Bank. The legal right of EUROS to the notice or assertion of compensation because of default remains untouched.

10 Default, impossibility

10.1 If EUROS should find itself in default with handing over the System Software, the user is able, provided that he makes plausible that a damage has originated to him from the default, to demand default compensation for each complete week of default amounting to 5% of the agreed price (with rent 25% of the annual rent price) for the late delivered part, however, in total limits to 15% of the reimbursement of the system software (with rent 75% of the annual rent price).

10.2 If the assignment of the system software becomes culpably impossible for EUROS, the user can require compensation, limits on the precalled limits.

10.3 Other claims for compensation of the user are excluded in all cases, e.g., with late assignment or the default, also at the end of a sedate adequate extension. The arrangements in the above section are not valid, as far as is stuck in cases of the intention or the culpable negligence. The right of the user to withdraw from the contract in accordance with the law shall not be affected as a result.

11 Warranty

11.1 The warranty shall lapse with regard to that System Software or parts of it, which have been modified or expanded by the user or by a third party at his instruction, unless the user can prove that such modifications or expansions did not contribute to the defect. If a defect is based on such a program

modification or expansion, EUROS shall not be obliged to correct it. Additional expenditure incurred by EUROS as a result of such modifications or expansions in the course of investigating or correcting a defect shall be borne by the user.

11.2 If repeated attempts to correct the defects remain unsuccessful, the user can serve notice of termination on this part of the System Software. If the customer asserts his rights under warranty or serves notice of termination, this shall not affect other contracts concluded between him and EUROS.

11.3 The customer shall not be entitled to any further or other claims against EUROS, in particular claims to the reimbursement of damages which have not been incurred on the subject-matter of the contract itself, e.g. in the event of loss or faulty processing of data. This shall not apply provided that there is liability in cases of intent, gross negligence or a lack of a warranted quality.

11.4 The period covered by warranty shall be one year from the delivery of the subject-matter of the contract.

12 Liability

12.1 EUROS shall only accept liability as far as such is expressly regulated in these conditions. In particular claims based on fault existing when the contract is signed in terms of breach of contract or liability beyond the contract shall be excluded unless there is liability in cases of intent or gross negligence.

12.2 The user releases EUROS from all claims of third who exceed the liability in accordance with these terms and conditions.

13 Term of the contract

13.1 The sales/rental contract becomes effective with signing and is valid, as long as there is a licence available for the user within the scope of this contract.

13.2 The rental agreement shall have a minimum term of one year (12 months).

13.3 The sales / rental contract can be terminated without notice in the event that there is a significant breach of contract which is not rectified in spite of an appropriate period of time having been set for the party in breach to refrain from the breach and including a warning that the contract shall be terminated in the event that the breach is not discontinued. A breach against the obligations in Section 3 of the terms and conditions in particular shall be regarded as a significant breach of contract.

14 Export regulations

14.1 If the user, provided that he is entitled by contract to do so, intends to export the System Software supplied by EUROS, the user shall have to obey the export regulations for the Federal Republic of Germany and the USA.

14.2 The user shall provide EUROS with all the information and declarations required by EUROS to comply with German and USA export regulations.

15 Final regulations

15.1 The rights and duties of EUROS from the system software licence agreement can be transferred on others. In this case EUROS guarantees the proper fulfilment of all contractual obligation towards the user.

15.2 These conditions are obliging only, in spite of deviant terms of business of the user.

15.3 Should one or more of the above terms and conditions be invalid, the remaining terms and conditions shall not be affected by this as a result. In such a case EUROS and the customer are obliged to replace an invalid term or condition with a valid one which comes closest to the economic objective of the invalid term or condition.

15.4 Changes and additions to this conditions und terms of business require the written form.

15.5 Sole jurisdiction for litigations from the realisation of all contractual arrangements is the jurisdiction in Nuremberg.