

General Terms and Conditions of Purchase

1. General

(1) For all contractual relations between the supplier and the company Coninvers GmbH - hereinafter "Customer" – the following terms and conditions shall apply exclusively. Any terms and conditions that oppose or deviate from these Terms and Conditions of Purchase shall not be accepted by Customer unless Customer expressly agreed to their validity in writing. The Terms and Conditions of Purchase of Customer shall also apply if Customer accepts the delivery without reservation and/or pays for it despite being aware of the terms and conditions of the supplier which conflict with or deviate from the Terms and Conditions of Purchase of Customer.

Customer shall be entitled to withdraw from the Agreement in the event the supplier disagrees with the Terms and Conditions of Purchase. In such a case all claims on the part of the supplier shall be excluded.

- (2) All agreements reached between the supplier and Customer for the purpose of executing this Agreement shall be laid down in the Agreement in writing.
- (3) The Terms and Conditions of Purchase of Customer shall also be applicable for all future business transactions with the supplier.

2. Secrecy

The supplier undertakes to keep all figures, drawings, calculations or any other documentation and information received strictly confidential; they may only be disclosed to third parties with the express written consent of Customer. The obligation of secrecy shall also apply after this Agreement has been processed. It shall not expire until and insofar the manufacturing knowledge contained in the figures, drawings, calculations and any other documents provided is in the public domain. Accordingly, subcontractors shall be committed to secrecy.

3. Prices, Shipment, Packaging

(1) The agreed prices shall be fixed prices plus legal turnover tax, and exclude additional claims of any kind. Costs for packaging and transport to the shipping address and/or point of use specified by Customer as well as for customs clearance charges and customs duties are included in these prices unless otherwise agreed upon in writing. If prices are not specified in the purchase order they still need to be negotiated.

Any additional costs for an accelerated mode of transportation to meet the deadlines shall be borne by the supplier.

- (2) Dispatch notes, letters of consignment, invoices and any correspondence shall include the order number of Customer.
- (3) Customer shall only accept ordered volumes or quantities. Higher or lower quantities are only acceptable upon prior agreement with Customer. Part deliveries shall not be permitted.
- (4) Shipment shall take place at the risk of the supplier. The risk of deterioration, including accidental destruction, shall thus remain with the supplier until the time of delivery to the shipping address and/or place of use requested by Customer.
- (5) The supplier's obligation to take back the packaging shall be subject to the legal provisions. The goods have to be packed in such a way that transport damages are avoided. Packaging material may only be used to the extent as needed for obtaining this objective. Only environment-friendly packaging material may be used. The regulations under point 9 sect. 3 shall apply accordingly.

4. Terms of Delivery

(1) The agreed delivery dates are binding. Relevant for compliance with the delivery date or delivery period shall be the

receipt of faultless goods at the place of receipt and/or place of use specified by Customer or the timeliness of a successful acceptance.

(2) If the supplier realizes that an agreed deadline or the agreed quality cannot be maintained for whatever reasons he shall immediately inform Customer about this fact in writing, stating the reasons for the delay and its expected duration.

In the event the supplier exceeds the agreed delivery date he shall pay Customer a lump-sum compensation in damages amounting to 1 % of the goods' value of the respective order per commenced week of the missed deadline, on the whole, however, at most 10 % of the goods' value unless the supplier is not responsible for the delay and/or the supplier can prove a minor damage or lack of damage. Further claims for damages shall remain unaffected. In this case the lump-sum compensation in damages shall be credited against any further claims for damages due to the delayed performance.

(3) If the supplier is in default with the delivery Customer shall also be entitled to statutory claims.

(4) Following the fruitless expiry of a reasonable grace period set by him, Customer shall then be entitled to claim compensatory damages at his option instead of the contractual performance and/or obtain substitute performance from a third party or declare withdrawal. The right to the delivery/performance shall become void as soon as Customer claims damages instead of the contractual performance in writing or declares withdrawal.

(5) The unconditional acceptance of the delayed delivery or performance shall not contain a waiver of claims for replacement to which Customer is entitled due to the delayed delivery or performance; this shall be valid until the money he owes for the respective delivery or performance was completely paid.

(6) Supplier may only invoke the absence of necessary documentation to be provided by Customer if he sent a reminder in writing concerning the documentation and has not received it within a reasonable period of time.

(7) In the event the goods arrive earlier than agreed Customer shall reserve the right to refuse acceptance or return them at the expense of the supplier. If the goods are not returned after a delivery ahead of schedule they shall be stored at Customer's at the expense and risk of the supplier until the actual agreed date of delivery. In the event of an early delivery Customer shall reserve the right to fulfill payment not earlier than on the agreed due date.

5. Force Majeur

(1) Force Majeur acc to these provisions shall only be an external event introduced from the outside by elemental forces or by actions of third parties that is unforeseeable by human judgement and experience, cannot be prevented or rendered harmless with economically bearable means even with the utmost care that can be reasonably expected according to the circumstances, and which must not be accepted by the company because of its frequency like, for instance, war, war risks and natural disasters.

(2) Force majeure shall exempt the contractual parties from their obligations of contractual performance for the duration of the interference and to the extend of its impact. The contractual parties undertake to make any reasonable effort to immediately provide the required information, and to duly adjust their obligations to the modified conditions. Customer shall be fully or partially exempt from the obligation to accept the ordered delivery/performance and insofar be entitled to withdraw from the contract if the delivery/performance is no longer utilizable at his place owing to the delay caused by force majeure – by considering the economic aspects.

6. Billing, Payments and Assignment of Claims

- (1) Following the delivery, invoices shall be addressed to Customer by separate mail in proper form with all related documentation and data. Invoices not submitted properly shall only be considered as submitted to Customer from the moment of rectification.
- (2) Payments shall be made in the customary manner within 14 calendar days with 3 % discount or after 30 calendar days net, calculated after delivery/performance and date of receipt of invoice.
- (3) In the event of faulty delivery Customer shall be entitled to withhold payment proportionate to value until proper performance.
- (4) Customer shall only default in payment if he receives a written reminder from supplier, also with a calendar-wise determination of payment dates.
- (5) With advance payments, the supplier shall provide Customer with an adequate security at his request, e.g.a bank guarantee.
- (6) To the extent material test certificates have been agreed these shall form an integral part of the delivery and sent to Customer together with the delivery.
- (7) An assignment of claims or collection by third parties shall be inadmissible.
- (8) Customer shall be entitled to offset claims from the supplier against claims from other companies of Customer considering the value date of invoice.

7. Provision of Materials and Parts

Customer shall reserve the right of ownership of all parts and components provided to the supplier. The parts and components provided by him shall exclusively serve for processing and fulfilling the order. In particular, the supplier is expressly forbidden to resell them. In case of a decrease in value or loss, supplier must provide replacement. Customer shall reserve the right of ownership of the provided parts and components even after processing and assembly through the supplier.

8. Acquisition of Ownership of Customer

Immediately after the delivery/transfer of the delivered goods Customer shall become owner of these goods.

9. Warranty/Guarantee

- (1) Supplier shall guarantee and warrant that all deliveries/performances comply with the state-of-the-art technology, the relevant statutory provisions and standards, regulations and directives set forth by authorities, professional associations, and trade associations. Furthermore, the supplier shall guarantee that all goods delivered by him are free of faults, comply with the requirements of Customer and are suitable for the respective application purpose. In the event exceptions from these provisions are deemed necessary in individual cases, the supplier shall obtain the appropriate written consent of Customer. This consent shall not limit the liability for defects of the supplier. If the supplier has reservations against the kind of execution requested by Customer he shall immediately notify Customer of this fact in writing.
- (2) Supplier shall assume a durability warranty pursuant to § 443 BGB by which the supplier shall guarantee that the delivered products are free of any quality defects and deficiencies in title for a period of two years starting with the transfer of risk.
- (3) Supplier undertakes to use environment-friendly products and processes in his deliveries/performances as well as in supplies or additional services from third parties within the scope of his economic and technical possibilities. Supplier shall be liable for environmental compatibility of the delivered products and packaging material and for all consequential damages resulting from his failure to comply with statutory provisions on disposal.

The supplier shall issue a certificate of inspection for the delivered goods if so requested by Customer.

Supplier undertakes to include the safety data sheets valid for his deliveries into the respective delivery. Supplier shall indemnify Customer against all recourse claims by third parties in case he fails to deliver the safety data sheets to Customer or if he delivers them late or faulty. The same shall apply to all later modifications.

- (4) Customer shall inspect incoming goods deliveries after receipt exclusively for identity, completeness and transport damages as far as and as soon as this is customary within the proper course of business and according to type and intended use. Usually, Customer hereby limits himself to spot checks. Notifications of defects pursuant to § 377 HGB shall be deemed timely if they are submitted within 10 days after a defect was discovered. If supplier does not receive the notification of defect despite dispatch, the notification of defect shall be deemed timely if Customer notifies the supplier immediately after discovering that the supplier did not receive it.

The objection of belated notification of defect and unconditional acceptance is excluded.

- (5) Any defects in delivery/performance notified during the warranty period, also including the failure to attain guaranteed specifications and the absence of guaranteed properties, must be remedied by the supplier without delay and free of charge upon request, including all incidental costs, at the discretion of Customer by rectifying the defects or by exchanging the defective parts and/or delivering a replacement.

Following the fruitless expiry of a reasonable period set by Customer for remedy by means of rework or new delivery he shall also be entitled to statutory claims, particularly claims for cancellation of the contract, a price reduction and/or damages.

- (6) The supplier shall bear all expenses incurred in the course of subsequent performance, especially costs of travel and transportation, labour and material (§ 439 II BGB).

- (7) In the event of claims for subsequent performance of Customer towards the supplier according to § 6 clause 5,6 as well as § 439 II BGB, the supplier shall reimburse Customer especially for the following costs for labour and material in a lump-sum to the amount of:

a) lump sum for reminders or any other letters:
5,00 € per letter

b) telephone lump sum:
3,00 € per phone call

c) lump sum for copies:
0,50 € per copy

d) travelling expenses
0,50 € for every driven kilometer

e) labour expenses
50,00 € per working hour and employees

The labour expenses shall be invoiced per commenced quarter of an hour. Customer shall be expressly entitled to claim higher damages.

- (8) If the supplier does not comply with his obligations under the liability for defects within a reasonable period set by Customer, Customer shall have the right to take the necessary measures himself or through a third party at the expense and risk of the supplier. In urgent cases and in agreement with the supplier, Customer may perform the remedy by rework himself or have third parties do it. Minor damages may be remedied by Customer himself – in complying with his duty to reduce damages – without previous consultation and without hereby restricting the obligations under the liability for defects and warranty of the supplier. Customer may then charge the supplier with the required expenses. The same shall hold true if unusually high damages are impending.
- (9) The warranty period shall be 36 months after delivery to client of Customer, at the most, however, 48 months after

transfer of risk to Customer unless explicitly agreed otherwise or the law provides longer periods. It shall begin with the transfer of the delivery item to Customer or third parties appointed by Customer at the place of receipt and/or use specified by Customer. With devices, machines and systems, the warranty period shall begin with the date of acceptance specified in the written acceptance declaration of Customer. If the acceptance is delayed without any fault attributable to the supplier, the warranty period shall be two years after the delivery item was made available for acceptance. The warranty period for constructions shall be subject to the statutory provisions; for replacement parts it shall be 36 months after installation/start-up and shall end 48 months after delivery at the latest.

- (10) For delivered parts that could not remain in operation during inspection of a defect and/or the remedy of defects, a current warranty period shall be extended by the time of the interrupted operation.

For repaired or newly delivered parts, the warranty period shall recommence on completion of rectification or, if an acceptance was agreed, on acceptance if the supplier acts in the awareness of being committed to rectify the damage. The supplier shall submit a written request for acceptance to Customer if applicable.

- (11) Series defects are defects in which materials, components, part systems or systems have an error frequency that clearly lies outside the usually expected values or the values indicated by the supplier. A series defect especially exists when the number of objected material exceeds 1% of the respective delivered batches.

In this case the supplier has to present measures for remedying the defects and implement them at his expense. This action plan must contain measures that compensate the expected behaviour of other components of this series due to the similarity of the appeared errors. If there is a series defect, Customer may demand the exchange of all devices of this series. If the product of the supplier in this connection is built into another product Customer shall also be entitled to recall the products of the supplier. In this case the supplier has to replace all costs and expenses at the first request. Customer may assert the regulation of this point within the warranty period or if the error rate indicated by the supplier is exceeded.

- (12) Any further legal claims shall remain unaffected.

10. Quality Assurance

Supplier shall implement a quality assurance system of an adequate type and scope that complies with state-of-the-art technology.

Supplier undertakes to conclude a corresponding quality assurance agreement with Customer if the latter deems this necessary.

11. Product Liability

- (1) To the extent the supplier is responsible for a damage caused by a product he shall insofar be under the obligation to indemnify Customer upon first demand against any claims for damages by third parties if the cause lies within his sphere of control and organization and he himself is liable in relation towards third parties.

- (2) In this context the supplier shall also undertake to reimburse any expenses resulting from or in connection with a recall action carried out by Customer acc to §§ 683, 670 German Civil Code (BGB). As far as possible and reasonable, Customer shall inform the supplier about the content and extent of the recall measures to be taken and give the supplier an opportunity to comment.

- (3) Supplier undertakes to maintain an insurance against product liability for a reasonable amount. If Customer is entitled to more extensive damage claims, said rights shall remain unaffected.

- (4) In addition, the supplier shall insure himself against all risks arising from product liability, including the risk of re-

call, to a reasonable amount and present the insurance policy and insurance confirmation to Customer on request for inspection.

- (5) Supplier shall label the delivery goods in such a way that they are permanently recognizable as his products unless otherwise agreed under separate agreements.

- (6) By labeling the products or, if this is not possible or inexpedient, by other appropriate measures supplier shall ensure that in the event an error appears on his products he immediately can determine which other products might as well be affected. The supplier shall inform Customer about his identification systems or his other measures in such a way that Customer can draw his own conclusions to the necessary extent.

12. Industrial Property Rights

- (1) The supplier shall guarantee that the rendered performance is free of any industrial property rights or copyrights, the so-called third party industrial property rights, and that to his knowledge there are no other rights that restrict or exclude a usage. The supplier shall guarantee that the delivery and usage of the delivery items will not violate any patents, licences or other property rights of third parties.

- (2) The supplier shall indemnify Customer and his clients against any claims by third parties concerning violations of industrial property rights upon first request and bear all costs and expenses arising to Customer in this context.

- (3) Customer shall be entitled to obtain the approval for the usage of the respective delivery items and performances from the party holding such rights at supplier's expense.

- (4) In the event claims are made against Customer by third parties on the grounds that products delivered by the supplier are in breach of industrial property rights and in the event the use of the said products is hereby impaired or forbidden, in case of justified claim the supplier at his discretion shall either immediately modify the respective contractual performance in accordance with Customer thereby excluding them from the area of protection so that they do not breach property rights but nevertheless correspond to the contractual provisions or obtain the authority for their use as stipulated by the contract in an unlimited way and without additional costs for Customer.

- (5) The right of Customer to withdraw from the Agreement, however, shall not be affected.

- (6) As for the rest, § 9 clause 9 shall apply accordingly.

13. Liability/Further Claims of Damages

The supplier shall be liable without limitation towards Customer regardless of the type of violation of duties, including impossibility and tort, for each negligence and criminal intent. The supplier shall be liable towards Customer for any claims for damages acc to the BGB/HGB without any restrictions.

14. ElectroG Obligations

The act concerning the sale, return and environmentally sound disposal of electrical and electronic equipment (Electrical and Electronic Equipment Act – ElectroG) shall apply in its currently valid version. Other contract clauses and/or terms and conditions of the supplier are herewith explicitly contradicted.

15. Social Responsibility

Within his social responsibility the supplier acknowledges that in the production of products delivered to Customer and/or in the provision of services to Customer, human rights are protected, labour standards are observed and discrimination as well as forced labour and child labour shall not be permitted. The supplier confirms that he will neither tolerate any kind of corruption or bribe nor get involved in it in any way.

16. Transmission of Order/Transfer of Agreement/Change of Company

- (1) The supplier shall not be entitled to pass on the order of relevant parts of the order to third parties without the prior written approval of Customer. If Customer grants an approval the supplier shall remain responsible for the fulfilment of the Agreement.
- (2) The supplier shall immediately notify Customer by operation of law about every transfer of agreement and every change of company.

17. Data Protection

Customer shall treat personal data of the supplier in accordance with the Federal Data Protection Law.

18. Place of Performance

Unless otherwise expressly agreed the place of performance for the delivery obligation shall be the address for shipment and/or place of use requested by Customer; for all other obligations of the parties the seat of the respective Customer.

The risk of accidental destruction and accidental deterioration shall only be passed on to Customer with the acceptance or transfer at the place of performance.

19. Cessation of payment, Insolvency

If a supplier ceases to pay a provisional insolvency administrator shall be appointed, insolvency proceedings are opened up over his assets or if there are protests of a bill or protests of a cheque against him Customer shall be entitled to withdraw fully or partially from the Agreement without this giving way to any claims against Customer.

If Customer withdraws from the Agreement the performances rendered so far shall only be settled at contractual prices as they can be used by Customer in accordance with their designated use. The damages caused to Customer shall be considered in the settlement.

20. Contractual Language, Correspondence

Contractual language shall be German or English. Any correspondence and all other documents shall be written in German or English. This shall also apply to the whole remaining documentation, eg for prepayment bonds and performance bonds,

If the contractual partners in addition use another language the German and/or English wording shall have priority.

21. Partial Invalidity

Should parts of these General Terms and Conditions of Purchase be or become invalid the validity of the remaining provisions shall not be affected; the same shall apply to the filling of loop-holes of these General Terms and Conditions of Purchase.

22. Place of jurisdiction/applicable law

- (1) Exclusive place of jurisdiction shall be 71083 Herrenberg if the supplier is a merchant. However, Customer shall reserve the right to assert his claims at any other valid place of jurisdiction.

- (2) In addition, exclusively non-unified German law shall be applicable, notably the BGB/HGB. The provisions of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (UN Sales Convention) shall be excluded.

Herrenberg, October 2007
Coninvers GmbH