

GENERAL TERMS AND CONDITIONS OF PURCHASE

ALFONS HAAR MASCHINENBAU GmbH & Co. KG, Hamburg, dated 01/12/2008

1. Formation of the contract

Our general terms and conditions of purchase form the basis of our business relationship with you as vendor/supplier. We place orders on the basis of our general terms and conditions of purchase. Other terms and conditions - including where they extend beyond the regulatory content of these general terms and conditions - do not form part of the contract, even if we do not expressly reject them. If we accept the delivery/service without express rejection, under no circumstances may the inference be drawn that we have accepted your terms and conditions of delivery. No retention of title is permitted in respect of the goods delivered. A current account reservation of title and an extended reservation of title, including in respect of the goods supplied by you, are not permitted.

Only orders placed in writing by our purchasing department are legally binding. Verbal orders or orders placed by phone require subsequent written confirmation in order to be legally valid. The same applies to verbal ancillary agreements and amendments to the contract. We may also demand amendments to the content of the contract after the contract has been entered into, provided this is reasonable for you.

In the event of such an amendment to the contract, the effects on both parties, in particular in respect of cost increases or savings and delivery times, must be given appropriate consideration.

2. Technical documentation

Documents of any kind which we provide, such as samples, drawings, models etc. remain our property. They may not be reproduced, used for other purposes or disclosed to third parties. These documents must be sent back to us, without any need for us to make a specific request for them, once they are no longer required to fulfil the order. All documentation and equipment of ours must be insured against damage and loss at your expense for as long as they are in your possession. Should you fail to fulfil your obligation to return items, you are required to retain documentation which we have provided for up to five years after the end of the contractual relationship. For each individual culpable breach of the obligations to retain or return we are entitled to claim a penalty for breach of contract of €5001 per breach, up to a maximum total of €15,000.

Equipment manufactured by you in accordance with our specifications or documentation such as models, machinery, computer programs etc. may only be used to fulfil our orders. They may not be used by you for your own purposes or offered or made accessible to third parties. Our agreement to your drawings, calculations and other technical documentation does not affect your liability for defects or warranty obligations in respect of the items to be delivered. This also includes suggestions and recommendations made by us, unless otherwise expressly agreed. Following completion of the delivery/service, you must send us the drawings, measurement records and other technical documentation relating to the object of the contract which accord with the actual design provided. Tools and other equipment which you have produced to fulfil our order and which are charged for separately by you become our property at the point of manufacture. This also applies to tools and other equipment which are charged for by you through the unit price of the individual orders. In this case, instead of handing them over you will keep these items safe for us free of charge. The items must be clearly labelled as our property.

You are obliged to look after these items, to maintain them and to fix ordinary wear and tear. The costs involved in this are compensated for in the purchase price. You do not have any right of retention in respect of our tools, drawings, free-issue parts or similar items.

3. Unclear order details

Where material descriptions, technical specifications, drawings and other order details are obviously unclear, you are required to immediately notify the relevant purchaser at Alfons Haar in writing and obtain clarification. Damages resulting from culpable omissions in this regard will be at your sole expense.

4. Packaging

The packaging of the items to be delivered (internal and external) must be designed in such a way that it will survive transport and storage for up to 12 months. Only environmentally friendly packaging material may be used. The items to be delivered must be provided with sufficient corrosion protection. Damages due to deficient packaging will be at your sole expense. If the packaging arrives in a damaged condition, we are entitled to refuse to accept the consignment without checking the contents. The goods will be returned at your expense and at your risk. Your obligation to take back the packaging is governed by the statutory provisions. Where technically feasible, lattice boxes or reusable pallets should be used as packaging material. Packaging units above 1.5 tonnes in weight must be delivered by lorries which may be unloaded by crane.

5. Delivery deadlines, delay in delivery

The agreed delivery deadlines are binding. Receipt of the goods by the receiving centre nominated by us or successful and timely acceptance determine whether the delivery deadline has been met. As soon as you can foresee that the delivery will not be made on time in whole or in part, you must immediately inform the relevant purchaser in writing, stating the reasons and the probably duration of the delay.

If you delay in making the delivery, then we are entitled to the statutory claims. We are also entitled, following expiry of a reasonable grace period set by us without satisfactory response, to demand at our election compensation for damages in lieu of performance or to procure replacement items from a third party or to declare the rescission/termination of the contract. The claim for the delivery/performance lapses as soon as we demand in writing compensation for damages in lieu of performance or declare the rescission/termination of the contract. In the event of delay you are required to deliver by express or air freight at your expense. You may only rely on the absence of documentation which we were required to provide if you demanded the documentation in writing and did not receive it immediately.

In the event of premature delivery we reserve the right to return the delivery at your expense and risk. If goods are not returned following a premature delivery, the goods will be warehoused by us until the agreed delivery deadline at your expense and risk. Payment will be only be made on the agreed due date.

We only accept partial deliveries following express agreement. The invoice will only be paid following complete delivery within the agreed payment periods. Where partial deliveries are agreed, the outstanding quantity must be listed on the delivery documentation. In the case of partial deliveries, the provision relating to the due date for payment in section 10 should be noted.

6. Guarantee, liability for defects

All deliveries/services must correspond with the latest state of the art, of knowledge, science and comply with the applicable legal provisions and guidelines as well as the intended requirements and agreed technical specifications. The point of receipt of the goods by us is definitive in this regard. Our factory standards apply to all parts made from drawings. If in specific cases deviations from these are necessary, you must obtain our written consent in this regard. This consent does not limit your liability for defects. If you have concerns in respect of the type of finish requested by us, you must notify us of this in writing immediately.

We will notify you immediately of obvious defects in the delivery/service as soon as these are identified in the normal course of business. Defects in the delivery/service, including failure to attain guaranteed data and the absence of warranted characteristics, which are notified during the period of liability for defects must be rectified by you on request immediately and free of charge, including any incidental charges, at our election either by means of repair, replacement of the defective parts or by delivery of a new item. In addition we are also entitled to statutory claims, in particular claims for rescission, reduction, replacement delivery and/or damages. Following expiry without satisfaction of a reasonable grace period set by us for repair or a new replacement, we are also entitled to the statutory rights of rescission, reduction and damages. If you fail to meet your obligations in respect of liability for defects within a reasonable period set by us, we may take the necessary measures ourselves at your expense and risk - without prejudice to your liability for defects - or engage a third party to do so. In cases where, due to particular urgency, it is no longer possible to inform you of the defect or the imminent damage and to set a period for remedial action, we may carry out the repairs ourselves or engage a third party to carry them out at your expense. If we rectify defects ourselves - as part of our obligation to minimise damages - this does not affect your liability for defects.

We expressly reserve the right to pursue claims for damages. This also applies to claims for damages in lieu of performance. You do not have any right of retention or set-off in respect of your liability for defects, unless these relate to claims admitted by us or which have been legally determined by a court. The period of liability for defects is 36 months, unless otherwise expressly agreed. It begins with the handover of the items delivered to us or to a third party nominated by us and the receiving centre and place of use specified by us. For equipment, machinery and plant, the period of liability for defects begins on the date of acceptance, which will be specified in a written declaration of acceptance. If acceptance/delivery is delayed for reasons beyond your control, the period of liability for defects lasts for 36 months following provision of the items to be delivered for acceptance. For supplied parts which it was not possible to use during the investigation and/or rectification of the defect, the ongoing period of liability for defects is extended by the period of interruption to use. Each objection to a defect leads to a suspension of the period of liability for defects. Subsequent improvements/replacement deliveries lead to a recommencement of the period of liability for defects for the supplied parts in question.

If we are subject to legal action on account of a breach of official safety regulations or domestic or international product liability regulations or laws due to a defect in our product which can be traced back to your delivery/service, we are entitled to demand compensation for this damage to the extent caused by your deliveries/services. The obligation to pay damages also includes the costs of a preventative recall. You will label the items delivered, to the extent technically possible, so that they are permanently identifiable as your products. You must implement an appropriate quality assurance system according to the relevant type and scope of the delivery and meeting the latest standards of technology and provide certification of same on demand. You will enter into an appropriate quality assurance agreement with us, if we deem it necessary. In addition, you will obtain appropriate levels of insurance against all risks arising from product liability, including the

risk of a recall, and submit the insurance policies to us for inspection on demand.

7. Free-issue parts

You must store our free-issue parts separately and clearly label them as our property. Our free-issue parts are to be used solely for the completion of our orders. If the free-issue parts have to be scrapped due to processing going beyond what is technically necessary, and if this is due to your actions, you must reimburse the full value of the free-issue parts.

8. Intellectual property rights

The parties undertake to inform each other immediately upon becoming aware of any risk of infringement or alleged infringements of intellectual property rights, so as to counteract the corresponding claims for liability. If use of the goods by us requires the use of a patent or other commercial intellectual property by you, you grant us the irrevocable right to unlimited, free use for all time.

9. Prices, shipping, packaging

The agreed prices are fixed prices and exclude additional claims of any kind. The costs of packaging, freight and transport to the shipping address specified by us are included in these prices. If no prices are specified in the order, your list prices applicable at the time of the order apply along with the usual commercial discounts or the discounts applicable to previous deliveries. The agreement on the place of performance is not affected by the type of pricing. We will accept only the quantities and number of items ordered by us. Excess or short deliveries are only permitted by prior agreement with us.

10. Invoicing and payment

Invoices must be submitted to us separately in duplicate along with all relevant documentation and information following successful delivery, with all content listed clearly and in the appropriate format (e.g. compliant with the provisions of the VAT Act). Incorrectly submitted invoices will only be deemed received by us once corrected. Bills of lading, invoices and all correspondence must contain our order number.

Invoice address:

Alfons Haar Maschinenbau GmbH & Co. KG
Fangdieckstraße 67
22547 Hamburg

Payment is made after delivery (transfer of risk) and receipt of invoice - unless otherwise agreed - at our discretion in one of the following periods

6 to 14 days with 3% discount
15 to 24 days with 2 % discount
25 to 34 days net.

For partial deliveries, the first partial delivery is deemed a "delivery" within the meaning of section 10, unless we have expressly consented to a partial delivery.

The time of payment is the time the funds are deducted from our account or the date of dispatching the payment. Where premature deliveries are accepted, payment is due in accordance with the agreed delivery date.

Where certification of material tests and/or the origin of goods have been agreed, they form an essential component of the delivery and must be sent to us along with the invoice. The certificates must bear our order number. The payment period for invoices begins on receipt of the agreed certification. In the event of defective delivery/service, we are entitled to retain payment in proportion to the value until proper fulfilment.

11. Licence audit at our premises

A so-called licence audit, i.e. an inspection of the licences used or required by us, particularly in the area of software, requires our express consent.

12. Quality control at your premises ("audit")

We are entitled, but not obliged, to visit your production areas (rooms, spaces, facilities) for the purposes of quality assurance ("audit"). This agreement is in our mutual interests of product quality and safety. To this end we will provide a reasonable period of notice, but at least five days before the planned visit, and you will grant us access to the production rooms and provide appropriate support during the audit. We will take reasonable steps to ensure your legitimate interests in the confidentiality of your production processes, particularly by sending employees who specialise with us in the area of quality assurance and in particular who are bound to confidentiality. We will each bear the costs incurred ourselves.

Should there be a competitive relationship between us, or if there are specific indications that a competitive relationship will soon arise, and if for this reason there is an interest in maintaining confidentiality on your part, we both shall agree on a neutral third party in advance (i.e. before notice of an inspection) who we will engage to carry out the audit. As long as we receive no justified notification to the contrary from you, we shall assume either that there is no competitive relationship or that, despite the possible existence of a competitive relationship, you agree to an audit by us.

We may visit your production areas without prior notification if there is an exceptional reason. We will announce ourselves in this case immediately before the visit at the reception area of the factory/production area, and you will immediately grant us access. An exceptional reason includes in particular if quality problems have arisen or there are specific indications that quality problems will

arise. We will provide you with a short written statement of reasons during the visit. The foregoing subsections 2 and 3 above apply analogously.

The foregoing subsections 2, 3 and 4 apply analogously to those areas of your facility which are not production areas, if we deem inspection of such areas as necessary for the purposes of quality assurance. At your request we will provide a written statement of reasons as to why we deem the visit necessary under subsection 1.

You are required to take organisational precautions to ensure seamless fulfilment of your obligations under subsections 2, 3, 4 and 5. For our part, we undertake to give due consideration to your operational requirements.

13. Data protection and storage of data

We are entitled within the meaning of the Data Protection Act to process and save data about you obtained in the course of business - including where this originates from third parties - and to have such data processed and saved by third parties engaged by us. We agree that you may do the same.

14. Outsourcing and subcontracting of contracts

You are not entitled to outsource or subcontract a contract or the fulfilment of a contract in whole or in part to a third party without our written consent. We are not entitled to withhold consent, provided you can demonstrate a legitimate interest. The unavoidable procurement of materials required to manufacture the goods ordered and standard or special parts are not subject to the requirement to obtain consent.

15. Final provision

If individual or multiple provisions of these general terms and conditions of purchase are or become invalid, this does not affect the validity of the remaining provisions.

Unless otherwise expressly agreed, the place of performance for the obligation to deliver is the shipping address specified by us, for all other obligations of all parts, it is Hamburg. The legal venue is Hamburg. The law of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on the Law Applicable to International Sale of Goods dated 11/04/1980.