

General Terms and Conditions of Purchase (October 2010 Version)

1. General, Scope of Application

- 1.1 These General Terms and Conditions of Hennecke GmbH (hereinafter referred to as "Customer") apply to all business transactions conducted with companies (Section 14 BGB [German Civil Code]), public entities or public funds (hereinafter referred to as "Supplier").
- 1.2 Contrary or supplementary terms and conditions of the Supplier become a component of the Agreement only if and to the extent the Customer has expressly agreed to their applicability.

2. Offer and Conclusion of Agreement

- 2.1 In preparation of the offer, the Supplier is to adhere to the specifics of the inquiry and in the event of any deviation the Supplier is to expressly notify the Customer of any such deviation.
- 2.2 Our orders are revocable until such time as the order is confirmed or in the absence of an order confirmation to the point of delivery. The Supplier is obligated to confirm our order placement no later than 5 working days upon receipt of the order by means of a written order confirmation or by delivery. A late order confirmation with a deviating delivery date is deemed to be a new offer and requires our confirmation.
- 2.3 Any and all obligations arising from the Agreement are to be discharged by the Supplier. The commissioning of subcontractors for manufacturing is permissible only with our prior written consent.

3. Amendments, Modifications and Additions

- 3.1 The Customer may at any time, at its equitable discretion, demand reasonable amendments, modifications and additions of the order until such time as the delivery item has been delivered (in the case of work and service agreements: until acceptance). The Supplier is obligated to propose amendments and modifications which it deems to be necessary and expedient in regard to a successful fulfillment and performance of the Agreement. Upon receipt of the Customer's written consent, the Supplier will perform such amendments and modifications.
- 3.2 To the extent an amendment or modification involves an increase or decrease in costs and/or in the event deadlines can no longer be met, the Supplier is obligated to notify the Customer of such circumstances at such time as the submission of an amendment/modification proposal or immediately upon receipt of the Customer's amendment/modification request. Compensation is to be adjusted commensurate with the cost modifications.

4. Delivery, Delivery Delay

- 4.1 Shipping is dispatched at the Supplier's risk and costs (DDP St. Augustin according to Incoterms 2000). The Supplier insures the transportation risks at its own account through a suitable insurance policy and will furnish proof of insurance for inspection upon the Customer's demand. In the event the freight costs are to be borne by the Customer, the Supplier must select the shipping mode with the most favorable shipping rates. Place of delivery and passing of risk is the receiving location as indicated by the Customer.

- 4.2 Unless otherwise expressly agreed, the delivery times and periods specified by the Customer are binding. In the event the Supplier becomes aware of any circumstances that would lead to the conclusion that a risk of delivery delay exists, the Supplier is to notify the Customer of this fact without undue delay.
- 4.3 Compliance with the agreed delivery periods and dates is dependent on the receipt of the subject matter (delivery item) at the defined receiving location, in the case of deliveries involving setup, assembly or other services requiring acceptance the date of their acceptance applies.
- 4.4 In the event of any delivery delays for which the Supplier is at fault, the Customer may demand - in addition to further legal claims - a flat compensation for damages caused by delay of 1 % of the order value for each completed week of the delay, at the most, however, 5 % of the order value. The Customer may assert higher damages caused by delay upon furnishing proof. The supplier may furnish proof that the Customer suffered lesser damages.
- 4.5 The Supplier is authorized to exercise its right of retention only insofar as its counterclaim is based on the same contractual relationship or on an undisputed claim or a claim that is recognized by declaratory judgment. The Supplier may only offset with undisputed counterclaims or with counterclaims recognized by declaratory judgment.
- 4.6 The Customer's complete order numbers and article numbers must be documented on the delivery notes, shipping advices, and way bills. In addition, the Supplier is obligated to draw up a supplier declaration for the Customer upon request.
- 4.7 The Supplier is to send a detailed shipping advice, separate from the goods and the invoice, to the Customer for each individual consignment at least 3 working days prior to shipping. The date of receipt of the shipping advice at the Customer site is decisive. The delivery note and packaging slip are to be attached to the delivery. In the event of shipment by sea, the name of the shipping company and the ship are to be specified in the shipping documents and invoices. If a system or equipment is knocked down into components or is delivered in more than one component, these components are to be labeled and are to be positioned and described in the delivery note in accordance with the labels.
- 4.8 Tools and setup equipment is not to be loaded together with the delivery items, otherwise the Supplier will bear the costs of the reloading. Any consignments the Customer does not accept due non-compliance with these shipping provisions will be stored at the Seller's expense and risk. The Customer is authorized to inspect and determine the content and condition of such consignments. The Supplier is also liable for its subcontractor's compliance with the shipping provisions. The Supplier is liable to the Customer for damages suffered and costs incurred by the Customer due to the Supplier's non-compliance with the above terms and conditions.
- 4.9 The title to the models, dies, devices, equipment and other tools invoiced in full or in part to the Customer will pass to the

Customer at the time these items are delivered to the Customer.

5. Prices and Payment

- 5.1 The agreed prices are fixed prices. All prices are without Value Added Tax, but include packaging, insurance, transportation and other ancillary costs.
- 5.2 The shipment date, the Customer's order number, article numbers and Customer's Value Added Tax ID Number are to be noted on invoices and credits. Invoices must correspond to the order's delivery items description, sequence and prices. Any excess or short deliveries/services are to be itemized separately.
- 5.3 Unless otherwise agreed, payments are effected on the 30th of the month, in which the shipment was made, under deduction of 3% discount, or net without discount within 90 days after the 30th of the month, in which the shipment was made. The date of the Customer's order to pay is decisive. In the case of work and service agreements, the acceptance date applies instead of the delivery date.
- 5.4 Payments do not infer the acceptance of conditions, prices or the characteristics of the delivery item.

6. Warranty (Gewährleistung)

- 6.1 The general limitation period for warranty claims (Gewährleistungsfrist) is 24 months, starting from the date of delivery to the final customer, at the latest however 3 years after shipment from the Customer.
- 6.2 The Customer's duty to inspect goods delivered from the Supplier upon their receipt is limited to apparent defects that can be identified through visible inspection, including delivery documents, as well as defects that become apparent during quality control using random samples (e.g. transportation damages, incorrect or short delivery). Notification of any defects is deemed timely, if the Customer notifies the Supplier of such defects within 5 working days upon receipt of the goods.
- 6.3 The Supplier is obligated to cover its risk of liability through an insurance policy and to furnish proof of such coverage to the Customer upon request.

7. Provision of Materials

- 7.1 All materials provided by the Customer remain the property of the Customer and are to be stored, labeled and administered separately by the Supplier at no charge. The materials may only be utilized to fulfill the Customer's orders. The Supplier bears the risk in the event of loss or deterioration of the materials supplied by the Customer.
- 7.2 The materials supplied by the Customer are processed or transformed for the Customer. The parties agree that the Customer becomes the (joint) owner of the new or transformed object. The Supplier stores the new object for the Customer at its own expense (free of charge), and with the due care of an ordinary business man.

8. Customer and Supplier Documents, Confidentiality

- 8.1 The Customer retains all titles and copyrights to images, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents are to be used exclusively in the performance of the Agreement and are to be returned to the Customer upon fulfillment of the Agreement.

- 8.2 Any documents received from the Customer are not to be disclosed to any third party, this also survives the expiry of the Agreement. The duty to observe confidentiality (secrecy) lapses, if and to the extent the knowledge contained in the provided documents has become general knowledge.
- 8.3 The Supplier may only refer to business relationships with the Customer upon having received prior written consent (e.g. in an advertisement).
- 8.4 Drawings and all documents required by the Customer for the setup, operation, maintenance, inspection or repair of the delivery items are to be provided by the Supplier free of charge, in due time, and without being solicited. This also applies to the required conformity and manufacturer declarations.
- 8.5 The Supplier is to request the Customer's specific company standards and specifications [Werknormen] and guidelines, to the extent they have not yet been provided.

9. Documentation

- 9.1 The documentation must be provided with the Hennecke purchase and/or order number in file form at the latest with delivery. Files up to 5 MB can be sent as Email to the following Email address: documentation@hennecke.com, larger files are to be saved to CD-ROM and sent by postal service. The documentation is to be provided in German, and in the language specified in the order, if requested. The documentation must contain the following information, among other information:
 - Operating Instruction according to EU Machine Directive 2006/42/EG, including Repair Instruction(s) in the following file formats: .pdf, .doc (no scans);
 - Lubrication- and Maintenance Schedules in the following file formats: .pdf, .doc (no scans);
 - Schemata (Hydraulic/Pneumatic) in the following file formats: .pdf und MI (ME10), .dxf
 - Drawings (including manufacturing drawings) and bills of material with unique identifiers for each individual component.
 - Labeling of the spare and wearing parts, providing the manufacturer and the complete type description, more specifically including the unique order description, file format drawings: .pdf and MI (ME10), .dxf; more specifically in the case of three-dimensional depictions STEP, SAT; file format bills of material: .xls or .doc
 - Electrical circuit diagrams, set-up plans and terminal schemes according to VDE in the following file formats: E-plan or .pdf; including bills of material, providing the manufacturer and the complete type description for all positions in the following file formats: .xls or .doc
 - For printers documentation according the Printer Directive 97/23/EG.
 - Spare parts offer (Mechanics and Electronics)

10. Inspections

- 10.1 If inspections are scheduled for the delivery items, the Customer and the Supplier bear the respective material and personnel inspection costs themselves. The Supplier must notify the Customer at least 10 days in advance that the delivery

items are ready for testing and the Supplier is to schedule an inspection date with the Customer. If a delivery item is not available on this date, the Customer's material and personnel costs will be borne by the Supplier.

- 10.2 Necessary and/or required material certificates for primary materials are to be prepared at the expense of the Supplier and are to be provided to the Customer at the latest with the delivery item itself.
- 10.3 If defects are identified during goods receipt inspections, which result in the conclusion that the delivered products have to be remedied by the Supplier, the Supplier bears the associated costs for the repeated quality assurance measures to be performed by Hennecke (repeat of the good receipt inspection etc...) in the amount of a flat fee of 95.00 EUR per notice of defects. This provision does not affect any additional claims of Hennecke. The Supplier may furnish proof of lesser damage and the Customer may furnish proof of greater damage.

11. Reservation of Title

Unless otherwise agreed by the parties in writing, all forms of extended (erweitertert) or prolonged (verlängert) reservation of title are excluded, so that a reservation of title, declared by the Supplier is only valid until the delivery item delivered to the Customer is paid in full and is only applicable to such delivery item.

12. Final Provisions

- 12.1 The place of performance for all of the Customer's and Supplier's obligations is St. Augustin (Germany).
- 12.2 This Agreement is governed by the Law of the Federal Republic of Germany under the exclusion of the UN Convention on Contracts for the international Sale of Goods.
- 12.3 The place of jurisdiction is Cologne. In addition, the Customer is entitled to assert its claims at the Supplier's general place of jurisdiction.