

General Terms and Conditions of Kersten Europe GmbH, Hardstr. 8, 78256 Steisslingen, Germany

Terms of delivery:

For use in transaction with:

1. a person, who at the time of concluding the contract acts to exercise his/her commercial or independent professional activities (entrepreneur);
2. legal persons under public law or special assets under public law.

I. General

1. All deliveries and services shall be based on these conditions and any separate contractual agreements. Deviating purchasing conditions of the Buyer shall not become an integral part of the contract even upon acceptance of the order.

Unless otherwise specified, a contract shall come into effect upon written confirmation of the order placed by the Supplier.

2. The Supplier shall retain proprietary rights and copyrights to samples, cost estimates, drawings and other similar information of a physical and non-physical nature – also in electronic form; they shall not be made available to third parties. The Supplier undertakes only to make confidential information and documentation designated as such by the Buyer available to third parties with the Buyer's consent.

II. Price and payment

1. In the absence of a special agreement, prices shall be ex works, including loading at the works but excluding packaging and unloading. Prices shall also be subject to value-added tax at the respective statutory rate.

2. In the absence of a special agreement, payment shall be made to the account of the Supplier without any deduction, namely, a down-payment of one-third upon receipt of the order confirmation, one-third as soon as the Buyer has been notified that the main components are ready for shipment, and the balance within one month of the transfer of risk.

3. The right to withhold payments or to offset counter-claims shall only be permitted for the Buyer insofar as its counter-claims are undisputed or have been judicially determined.

III. Delivery period and delivery delays

1. The delivery period shall be based on the agreements by the contracting parties. Compliance therewith on the part of the Supplier shall presuppose that all commercial and technical matters have been clarified by the contracting parties and that the Buyer has performed all its obligations, such as for example, the provision of the necessary official licenses or approvals or remittance of a down-payment. If this is not the case, the delivery period shall be adequately extended. This shall not apply if the delay is attributable to the Supplier.

2. Compliance with the delivery period shall be subject to correct and timely deliveries to the Supplier and any provision of customer material. As a rule, material supplied by the customer should be delivered to the Supplier 3 weeks at the latest prior to the delivery date, in perfect quality, in order to ensure punctual delivery to the customer. The Supplier shall give notification of any anticipated delays as soon as possible.

3. The delivery period shall be deemed to have been complied with if the delivery item has left the works of the Supplier by the end of the aforesaid period, or if readiness to supply has been notified. Should formal acceptance be required, the acceptance date shall be applicable, or alternatively, the notification of readiness for acceptance, provided there are no reasons for justified refusal of acceptance.

4. If shipment or acceptance of the delivery item is delayed for reasons attributable to the Buyer, the costs incurred as a result of the aforesaid delay shall be charged to the Buyer commencing one month after giving notification of shipment or readiness of acceptance.

5. Should non-compliance with the delivery period be attributable to force majeure, labour disputes or any other occurrences which cannot be influenced by the Supplier (e.g. as regards sub-suppliers), the delivery period shall be adequately extended. The Supplier shall notify the Buyer of the commencement and end of the aforesaid circumstances as soon as possible.

6. The Buyer may withdraw from the contract without notice if the Supplier is finally and conclusively unable to render full performance prior to the transfer of risk. The Buyer may furthermore withdraw from the contract if, after placing an order, the performance of a part of the delivery should become impossible and he has a justified interest in rejecting the partial delivery. Should this not be the case, the Buyer shall be obliged to pay the contract price attributable to the partial delivery. The same shall also be applicable in the case of inability of the Supplier. Otherwise Section VII.2 shall be valid. If impossibility or inability occurs during default of acceptance, or if the Buyer is wholly or mainly responsible for the aforesaid circumstances, he shall be obliged to effect full consideration as contracted.

7. Should damage arise for the Buyer due to late performance by the Supplier, the former shall be entitled to demand a flat-rate compensation for damage resulting therefrom. For each full week of the delay this compensation shall amount to 0.5 % - but as a whole 5% at the most - of the value of that part of the total delivery that cannot be utilised in time, or in accordance with the contract due to the delay. If the Buyer - taking the legal exceptions into account - sets the Supplier an adequate deadline for performance after the due date, and if this deadline is not met, the Buyer shall be entitled to withdraw from the contract within the framework of the relevant statutory provisions. Additional claims resulting from a delay in delivery shall be determined exclusively on the basis of Section VII.2 of these conditions.

IV. Transfer of risk and formal acceptance

1. The risk shall pass to the Buyer when the delivery item has left the works of the Supplier, also in the case of partial deliveries, or if the Supplier has assumed other obligations, for example, shipping costs or the delivery and installation. If formal acceptance is necessary, this shall be authoritative for the transfer of risk. The acceptance procedure shall be carried out immediately on the agreed date, or alternatively after notification being given by the Supplier of the readiness for acceptance. The Buyer shall not refuse acceptance if an immaterial defect is identified.

2. If the shipment or acceptance is delayed or not effected for reasons which are not attributable to the Supplier, the risk shall pass to the Buyer on the date the notification of the shipment or readiness for acceptance is given. The Supplier undertakes to take out any insurances requested by the Buyer at the Buyer's cost.

3. Partial deliveries shall be permitted provided that these are reasonably acceptable for the Buyer.

V. Retention of Title

1. The Supplier shall retain its ownership of the delivery item until all payments under the delivery contract have been received.

2. The processing or transformation of any goods under retention of title shall always be carried out for us by the Buyer. In the event of the item under retention of title being processed together with other items not belonging to us, we shall acquire co-ownership of the new item in proportion to the value of the item under retention of title to the other processed items at the time of processing them. Otherwise, the same shall apply for the item created by processing as for the item under retention of title.

3. The Supplier shall be entitled to insure the delivery item against theft, breakage, fire, water and any other damage at the Buyer's cost unless the Buyer is able to prove that he has taken out the insurance himself.
4. The Buyer shall not sell, pledge or assign the delivery item by way of security. If the delivery item is pledged or seized or otherwise possessed by third parties, the Buyer shall notify the Supplier thereof immediately.
5. In the event of the Buyer acting in contradiction to its contractual obligations, especially in the case of delayed payment, the Supplier shall, after having issued an appropriate reminder, be entitled to take back the delivery item and the Buyer shall be obliged to return the same.
6. On the strength of the Supplier's reservation of title, the Supplier shall only be entitled to demand the return of the delivery item after withdrawal from the contract.
7. The petition for commencing insolvency proceedings shall entitle the Supplier to withdraw from the contract and to demand an immediate return of the delivery item.

VI. Liability for defects

The Supplier shall assume warranty for any material defects or defects in title in the delivery without being under any further liability – except as provided in Section VII - as follows:

Material defects

1. All those parts that prove to be defective due to circumstances arising prior to the transfer of risk shall, at the discretion of the Supplier, be rectified or replaced free of defects, free of charge. The identification of such defects shall be reported to the Supplier in writing without delay. Replaced parts shall become the property of the Supplier.
2. After consultation with the Supplier, the Buyer shall allow the Supplier the necessary time and opportunity to carry out all the rectifications and replacement deliveries considered necessary by the Supplier; the Supplier shall otherwise be exempt from any liability for the consequences resulting therefrom. Only in urgent cases of risks occurring to the operating security, or for averting disproportionately large damages, whereby the Supplier is to be informed of the aforesaid immediately, the Buyer shall be entitled to rectify defects itself or to have them rectified by third parties and to demand reimbursement from the Supplier of the expenses incurred.
3. Insofar as the complaint proves to be justified, the Supplier shall bear the costs for the replacement item, including the shipment, from the direct costs incurred as a result of the rectification or replacement delivery. The Supplier shall also bear the costs for dismantling and installing the replacement as well as the necessary costs for assigning any required mechanics and ancillary workers, including their travelling expenses, provided that no disproportionate burden is imposed on the Supplier as a result.
4. The Buyer shall be entitled to withdraw from the contract within the scope of the relevant legal regulations, if the Supplier - under consideration of the legal exceptions - fails to comply with a reasonable and commensurate period of grace set for the rectification or replacement delivery due to a physical defect, with no response on his part. If the defect is only immaterial, the Buyer shall only be entitled to reduce the contract price. The right to reduce the contract price shall otherwise be excluded. Additional claims shall be determined on the basis of Section VII. 2 of these General Terms and Conditions.
5. No warranty shall be assumed particularly in the following cases:-
inappropriate or improper use, defective assembly or putting into operation by the Buyer or third parties, natural wear and tear, improper or careless handling, improper maintenance, unsuitable means of operation, defective construction work, unsuitable building ground and chemical, electrochemical or electric influences insofar as they were not attributable to the Supplier.
6. Should the Buyer or a third party make improper rectifications, the Supplier shall assume no liability for the consequences arising therefrom. The same shall also apply for any changes made to the delivery item without the prior consent of the Supplier.

Defects in title

7. Should the use of the delivery item lead to infringing any industrial property rights or copyrights in Germany, the Supplier shall, at his own cost, basically procure the right for the Buyer to continue using the delivery items, or shall modify the delivery item in an acceptable manner for the Buyer, such that the property rights are no longer infringed. Should this not be possible under reasonably acceptable, economic conditions or within a reasonable period of time the Buyer shall be entitled to withdraw from the contract. The Supplier shall also be entitled to withdraw from the contract under the aforementioned conditions. Furthermore, the Supplier shall indemnify the Buyer against any undisputed claims or legally enforceable claims asserted by the respective holders of the property rights.

8. The obligations of the Supplier referred to in Section VI.7 shall, with the exception of Section VII.2, be final and conclusive in the event of any infringement of property rights or copyrights. They shall only apply:-

- if the Buyer immediately notifies the Supplier of any infringement of property rights and copyrights which have been asserted,
- if the Buyer supports the Supplier to a reasonable extent in its defence against the asserted claims, or enables the Supplier to execute the modification measures referred to in Section VI.7,
- if the Supplier retains the right to take all defensive measures including out-of-court settlements,
- if the defect of title is not attributable to an instruction given by the Buyer and
- if the infringement was not caused by the Buyer modifying the delivery item on his own authority, or using the delivery item in a non-contractual manner.

VII. Liability

1. If the delivery item cannot be used by the Buyer in accordance with the contractual terms due to the fault of the Supplier as a result of non-execution or defective execution of suggestions made and discussions carried out before or after the conclusion of the contract, or due to the infringement of other ancillary contractual obligations - especially instructions for operation and service/maintenance of the delivery item - the provisions referred to in Section VI and VII.2 shall apply accordingly, excluding any other claims asserted by the Buyer.

2. Regardless of whatever legal ground, the Supplier shall only be liable for damages other than to the delivery item itself:-

- a. in the event of wilful intent,
- b. in the event of gross negligence on the part of the proprietor/the executive bodies or senior managers,
- c. in the event of culpable injury to life, body or health,
- d. in the event of defects which he has maliciously concealed, or the absence of which he has guaranteed,
- e. in the event of delivery item defects, to the extent that liability is provided under the German Product Liability Act for personal injury and property damages caused to items used for private purposes. In the case of culpable violation of substantial contractual obligations, the Supplier shall also be liable for gross negligence of non-managerial employees and simple negligence, this being restricted, in the latter case, however, to damage or loss that is reasonably foreseeable and typical for the contract. Any further claims shall be excluded.

VIII. Period of limitation

All claims of the Buyer shall become statute-barred in 12 months, regardless of their legal grounds. For compensation claims referred to in Section VII.2 a – e, the relevant statutory periods shall be valid. They shall also be valid in the case of defects in a building

construction or for delivery items that were used for a building construction in conformity with their normal method of utilisation and have caused its defectiveness.

IX. Software utilisation

If software is included within the scope of delivery, the Buyer shall be granted a non-exclusive right to use the delivered software, including its documentation. It shall be provided for use of the delivery item intended for this. The utilisation of the software on more than one system shall be prohibited. The Buyer shall only copy, revise or translate the software, or convert it from the object code to the source code to the extent permitted by law (§§ 69 a et seq. of the German Copyright Act). The Buyer agrees not to remove the manufacturer's specifications - especially the copyright references - nor to change them without the express, prior consent of the Supplier. All other rights to the software and the documentation, including copies thereof, shall remain with the Supplier or with the software supplier, respectively. It shall not be permitted to grant sublicenses.

X. Applicable law and place of jurisdiction

1. The law of the Federal Republic of Germany applicable to the mutual legal relationships between domestic parties, shall be valid exclusively for all legal relationships between the Supplier and the Buyer.
2. The place of jurisdiction shall be the competent court at the domicile of the Supplier. However, the Supplier shall be entitled to institute proceedings at the Buyer's main place of business.

Steisslingen, July 7, 2009

General Terms and Conditions of Kersten Europe GmbH, Hardstr. 8, 78256 Steisslingen, Germany

Purchasing conditions:

1. Validity

- 1.1 The following purchasing conditions shall be valid for all contracts, deliveries and other services, provided that they have not been altered or excluded with our express approval. The general terms and conditions of the Supplier shall not become binding, even if we have not expressly objected to them again.

2. Placing the order, acceptance

- 2.1 Orders and their modifications and additions shall only become effective if they are submitted by us in writing.
- 2.2 The Supplier shall confirm the order/modification without delay. Should we fail to receive a due confirmation within 10 days – as from the receipt of the order/modification - we shall be entitled to revoke the order without the Supplier being able to derive any claims.

3. Delivery and acceptance

- 3.1 Agreed delivery dates shall be binding. The date of receipt of the delivery at our works shall be authoritative for adherence to the delivery date.
- 3.2 The Supplier shall be obligated to notify us in writing immediately, if circumstances occur or become apparent to the Supplier, indicating that the agreed delivery date cannot be adhered to.
- 3.3 The Supplier shall not be authorized to effect excess deliveries, short deliveries or partial deliveries.

4. Price and payment

- 4.1 The prices shall be understood as carriage free to our works including packaging.
- 4.2 The payment shall be made by bank transfer or cheque after receipt of the goods in conformity with the contract and receipt of the proper and verifiable invoice, within 14 days with 3% discount or within 30 days net. The payment periods shall not commence prior to the agreed delivery date.
- 4.3 In the case of a defect covered by warranty, we shall be entitled to withhold payment proportionally until the defect has been duly rectified.

5. Transfer of risk

- 5.1 The risk shall pass to us when the delivery is handed over at our works in the proper manner.

6. Packaging and shipment

- 6.1 The goods to be delivered shall be packed according to commercial standards, or provided at our request with special packaging according to our instructions.

The Supplier shall observe the requirements of the respective haulage firm, carrier or shipping agent. The Supplier shall be liable for any damage resulting from inadequate packaging.

- 6.2 Should we have agreed, in an exceptional case, to pay the freight costs, we reserve the right to choose the mode of transportation. Section 5 of the purchasing conditions shall remain unaffected thereby.
- 6.3 The packaging material shall be returned carriage forward at the Supplier's expense.
- 6.4 The shipping documents and advice notes shall be provided with the reference numbers prescribed by us. After shipment of the goods by the Supplier two copies of the advice notes shall be sent to us stating the exact designation, quantity, weight (gross and net) and the type and method of packaging of the goods or the item. Should the required shipping documents fail to be produced punctually with the delivery, or should the above-mentioned particulars be missing in the shipping documents and advice notes, the products shall be put into storage until the shipping documents and/or the complete particulars have arrived, respectively, at the expense and risk of the Supplier.

7. Invoice

- 7.1 The invoice shall be sent in duplicate to our printed mailing address provided. It shall not be included in the shipment.

8. Rights in the event of defects

- 8.1 We shall notify the Supplier immediately of any defects in the delivery as soon as they have been determined under the circumstances of an orderly course of business. With respect to the foregoing, the Supplier hereby waives any defence based on the late notification of defects.
- 8.2. The legal provisions regarding defects of quality and defects of title shall be applicable, unless otherwise stipulated in the following.
- 8.3. We shall principally have the right to choose the type of subsequent remedy. The Supplier shall have the right to refuse the type of remedy chosen by us under the conditions of § 439, paragraph 3, BGB [German Civil Code].
- 8.4. In urgent cases and after consultations with the Supplier, we shall be entitled to rectify faults ourselves at the Supplier's expense or arrange for this work to be carried out by a third party. The same shall be valid should the Supplier be in default with remedying the defect.

9. Safety regulations

- 9.1 Should the order relate to machines, apparatus, vehicles and the like, the execution of the order shall conform with the valid laws and the regulations for the prevention of accidents. In addition, yet without this requiring any special order or reference, any protective devices required by the regulations for the prevention of accidents shall also be supplied therewith.

10. Provision of material

- 10.1 Any material provided shall remain our property. Any materials provided shall be stored in a clearly arrayed manner and separately as our property,

adequately insured against fire, water and theft at the expense of the Supplier and shall only be used in accordance with the respective regulations.

11. Samples, drawings, means of production

11.1 Documentation of all kinds, such as samples, drawings, models or means of production that we have made available to the Supplier, shall remain our property and shall be returned to us unrequested and free of charge as soon as they are no longer required for executing the order. They shall be used exclusively for the production based on our order. They shall not be made available to third persons in any way.

The same shall be valid for documentation or means of production that the Supplier has produced or developed in accordance with our specifications, or with our participation.

12. Additional clauses

12.1 The place of performance with respect to all deliveries and services shall be the domicile of our company.

12.2 The place of jurisdiction shall be the competent court at the domicile of our company; however, we shall also be entitled to take legal action at the competent court at the domicile of the Supplier.

12.3 The law of the Federal Republic of Germany shall be valid exclusively, excluding the UN law on sales (CISG).

Steisslingen, July 7, 2009