

October 2007

Terms of Purchase

1. Scope

- 1.1 These Terms of Purchase apply to any and all business transactions (goods and services) with our suppliers, even if no explicit reference is made to these terms. We do not agree with any opposing or deviating sales and delivery conditions stipulated by our suppliers unless we have explicitly agreed to the validity of such general sales and delivery conditions. Even if we have accepted or paid for goods and services this does not imply that we have agreed to our suppliers' general sales and delivery conditions.
- 1.2 Our Terms of Purchase apply only to companies that comply and adhere to § 14 of the German Civil Code (BGB).

2. Conclusion of Contract

- 2.1 We shall be bound by our order only if it is confirmed in writing by the supplier at the latest within a period of 10 days.
- 2.2 If errors occur at the time of contract conclusion that were not caused by us, but are due to communication errors, misunderstandings, etc., any compensation for damages in accordance with § 122 of the German Civil Code will be explicitly excluded.

3. Blanket Order / Call-off Order

- 3.1 In the case of blanket and continuous orders according to delivery plans, we will provide information on the quantities and types to be delivered through separate call-offs. These call-off orders are binding unless the supplier contradicts within one week after receipt of the call-off and no other provision has been agreed upon.
- 3.2 If the supplier cannot deliver immediately after call-off, he has to inform us promptly and suggest possible delivery periods.

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Registergericht / Court of Registration
Persönlich haftende Gesellschafterin / Fully liable Associates
Registergericht / Court of Registration
Geschäftsführung / Management
Beiratsvorsitzender / Chairman of the Board
Ust.-IdNr. / VAT Reg.No
Deutsche Steuernummer / German Tax No
WEE-Reg.No

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4. Delivery Dates and Delivery Delays

- 4.1 The delivery dates and periods stipulated in the order are binding and have to be observed strictly. The decisive factor in this case is the receipt of the goods at our premises or at the receiving office or delivery address agreed upon or indicated by us.
- 4.2 As soon as our supplier is able to estimate that there may be a delivery delay, the supplier has to inform us immediately. This does not change or alter the legally binding contractually agreed delivery period.
- 4.3 If the delivery is effected prior to the date indicated, we are entitled to refuse acceptance thereof. We are also entitled to reject part shipments.
- 4.4 If the supplier is delayed in the delivery of the goods, we are entitled to charge a contractual penalty fee of 0.5% and a maximum of 5% of the order value for each started calendar week the goods are delayed. Furthermore, we are entitled to make use of the necessary reservations in accordance with § 341, section 3 German Civil Code (BGB) until payment of the service has been effected in full. The enforcement of further damages is not ruled out as a result of the contractual penalty.

5. Delivery and Passing of Risk

- 5.1 The risk of complete or partial loss, damage or other deterioration of the goods will be transferred to us after acceptance at the receiving office.
- 5.2 The place of fulfillment for the supplier's deliveries and services shall be the receiving office or delivery address designated by us.
- 5.3 Claims against the liability, transport or forwarder insurance agency will be transferred to us already today, if damages have been incurred due to bad or non delivery.

6. Prices and Payment

- 6.1 The agreed prices are fixed prices and include freight, packing and other incidental expenses, free receiving office designated by us. Price increases for whatever reason will only be accepted by us – even in the case of continuous delivery contracts – if an explicit agreement has been reached in this respect.
- 6.2 Invoices have to be issued immediately after dispatch of the goods separately for each order, indicating the order number and the taxpayer's reference number; the sales tax also has to be indicated separately on the invoice. Invoices not issued in a due and proper manner will be deemed not issued.
- 6.3 If not agreed otherwise, payments are to be effected within 8 days after receipt of the invoice, less 3% discount, or within 30 days, less 2% discount, or within 60 days strictly net. Checks or negotiation of bills are considered as payment.
- 6.4 Any assignment of accounts receivable by the suppliers vis-à-vis ourselves is only permissible with our prior consent. The consent is considered granted if the accounts receivable have been assigned within the scope of extended reservation of title.

7. Goods Acceptance Procedure and Fault Claims

- 7.1 The supplier will only ship goods that have been thoroughly checked and have been authorized to be fit for shipping. Due to this, we will not carry out a detailed goods acceptance procedure. We will check incoming goods, in so far and as soon as this is doable in the ordinary course of business, and will report any faults immediately after discovery. Due to this the supplier will waive his rights with regards to delayed fault claims in accordance with § 377 German Commercial Code (HGB).
- 7.2 We shall not accept, under any circumstances, wrong or different deliveries. Therefore, we do not have to make any special claims with regards to such deliveries.

8. Quality and Legal Faults

- 8.1 The supplier carries full responsibility that the goods delivered and services rendered will comply with all and any statutory and authority regulations in their planned distribution and application and that the supplied goods and services do not violate any business protection rights or any other rights of third parties. The supplied goods and services have to comply with the latest or in future foreseeable technical standards applicable at any given delivery period and also have to fulfill any other statutory conditions, technical testing regulations and accident prevention regulations. Especially any DIN standards and VDE (German Association for Electrical, Electronic & Information Technologies) regulations have to be adhered to.
- 8.2 We fully reserve our statutory rights entitlement with regards to any quality and legal faults. Furthermore we fully reserve the right to choose the type of completion of delivery (correction of fault or substitute delivery). The supplier has to bear all and any cost for any necessary arrangements in order to either remove the fault or arrange a substitute delivery. If the supplier does not fulfill his duty to remove the fault or arrange substitute delivery within a reasonable period of time, or if this is not done to our full satisfaction or if due to an urgent reason a fault removal has to be carried out immediately, we are entitled to have the fault removed either by a third party or by ourselves at the cost of the supplier, or we may arrange substitute deliveries from third parties at the cost of the supplier.
- 8.3 Unless agreed otherwise, any warranty and compensation rights caused by quality or legal faults and deficiencies will remain valid for a period of 36 months from the date of the risk transfer. This period will be extended by the period necessary for the supplier to either remove the fault or arrange for substitute deliveries after the supplier has received our claim to the date the supplier will declare completion of any action required or if the supplier rejects any further fault removal or substitute supplies.
- 8.4 If due to the fault of the delivered goods, we will have to afford costs, especially for transport, moving, labor and material or cost that exceed the normal scope of our goods acceptance or checking procedure, the supplier will have to compensate us for the cost incurred.
- 8.5 The right to recall goods from the company in accordance with § 478 and § 479 German Civil Code (BGB) will remain intact against our suppliers, even then when we have not acquired any consumable goods and deliveries.

- 8.6 If a fault is detected within six months from the date of risk transfer, it will be assumed that this fault was already present at the time of risk transfer, unless this assumption cannot be matched with the type of fault discovered.

9. Product Liability and Quality Assurance

If due to the Product Liability Act or any other regulations and laws claims will be raised against us due to a product fault or if in connection with a supplied faulty good, we will experience or suffer any other damage, especially due to a necessary product recall, re-fitting etc., the supplier has to keep us free of any damages and has to arrange substitute delivery to replace the faulty good, if the damage was caused due to a fault ascribable to the supplier. In cases of fault dependant liability this will only apply, if the supplier was the cause of the fault. If the cause of the fault is ascribable to the responsibility of the supplier, he shall carry the burden of proof. In such a case the supplier will have to pay all and any cost, including any legal cost. The supplier is obliged to enter a sufficient product liability insurance.

10. Protective Rights, Confidentiality

- 10.1 The supplier will guarantee that the goods supplied by him will not violate any national or foreign company protection rights and also warrants to us the full liberty and copyright rights to use the goods either on our home markets or markets abroad. In the case of legal steps undertaken by third parties with regards to the violation of national or foreign copyrights with regards to the goods supplied, the supplier has to keep us free of any claims made against us and has to compensate any resulting damage.
- 10.2 Any tools, moulds, models, profiles, drawings, standard specifications, printed matter, manuals or any other documentation will remain our property and may not be given to third parties or may not be used for the supplier's own benefit without our prior explicit agreement. Such documents have to be protected by the supplier against any unauthorized viewing or use and if not agreed otherwise, have to be returned to us at the latest after completed delivery in an orderly condition. The supplier may also not retain any copies. A right of document retention does not exist.

10.3 The supplier has to keep confidential all and any technical data and other obvious business and technical details that the supplier learned during our business relationship. The data may only be used for the completion and execution of our orders and may only be given to the staff that is necessary for the execution of the order.

10.4 If the supplier arranged to have tools, drawings or any other production means made at our expense, it has been mutually agreed, that such production means will become immediately our property as soon as they have been made. In cases where we will only partially bear the cost, we will have the co-ownership in proportion of the share of costs of such means. The supplier has the revocable right to carefully keep and store such production means free of charge. We obtain any and all copyrights to solely use the production means. The supplier is not entitled to use such production means outside the scope of the order without our approval and authorization. The supplier is entitled and obliged to the revocable right of storage and keeping of the production means. The supplier has to mark the production means in such a way that our ownership is also documented to any third party. The supplier does not have any retention rights to these production means.

11. Limitation of Liability

We shall be liable for intentional and gross negligence. We shall only be liable for slight negligence if this involves the breach of substantial contractual obligations arising from the nature of the contract or if their breach threatens fulfillment of the purpose of the contract. Even in such cases compensation for any fore-seeable damage will remain limited. Moreover, in cases of slight negligence, any compensation claims made by the supplier, regardless of whatever legal reason, are excluded. The above mentioned liability limitation does not apply if there was a harm of life, body or health.

12. Place of Fulfillment, Place of Jurisdiction, Applicable Law

- 12.1 The place of fulfillment for any contractual obligations, especially delivery and payment, will be the registered seat of our company or the place of fulfillment named by us.
- 12.2 The place of jurisdiction for all and any contractual matters and their origin and fulfillment regarding legal conflicts is for both trading partners the applicable court at the registered seat of the company. We may depending on our choice also raise court action at the company seat of our supplier.
- 12.3 The contractual agreement is subject to German law and jurisdiction. The UN Acquisition Code (CISG) is not applicable.