

GENERAL TERMS AND CONDITIONS OF PURCHASE

BAUST & CO GMBH IN 40764 LANGENFELD, GERMANY

1. GENERAL

1.1. These General Terms and Conditions of Purchase will be part of the contract between Baust & Co. GmbH, hereinafter termed Principal and the supplier, hereinafter termed Contractor. Other agreements, amendments and collateral agreements shall only be valid when the Principal has agreed to these in writing.

2. QUOTE

2.1. The quote must be provided free of charge for the Principal and does not create any obligation between the Contractor and Principal.

3. ORDER

3.1. Every order and order change will be made in writing. The contents of verbal discussions are binding only when they have been confirmed in writing by the Principal and Contractor.

4. DELIVERY PERIOD, DELIVERY DATE, PARTIAL DELIVERIES

4.1. The delivery period starts on the day the Contractor accepts the order. Partial deliveries are permitted in any case. Payment, however, will only be made upon complete delivery. Should the Contractor not fulfil the owed service within the agreed delivery period, he will be liable, under the provisions of law. Any agreed contractual penalty for the case of late delivery shall not be affected thereby within the scope of § 340 para. 2 German Civil Code (BGB).

5. ACCEPTANCE, WARRANTY, NOTICE OF DEFECTS AND LIABILITY

5.1. The work, the owed service, will be formally accepted by the Principal after conclusion of all planning work within the scope of this agreement after delivery of all owed partial results, and the final documentation in the case of flawless execution. The Contractor will initiate the acceptance procedure by a written ready report.

5.2. The Contractor warrants that the delivery item is faultless, resp. does not show any defects which impair its value or suitability, and that it corresponds to the conditions specified in the order, and complies with the valid legal regulations, the accepted rules and state-of-the-art technology and science and the stipulated boundary conditions, even if they are not expressly stated in the contract. Furthermore, the Contractor warrants that the delivery item corresponds to the Gerätesicherungsgesetz (device protection act), the respective valid safety regulation requirements as well as the occupational safety and accident prevention regulations. If the delivery

item does not meet these, the Principal may, according to his choice, demand change or reduction or delivery of a faultless product or, when the Contractor is technically equipped for correction of faults, remedy of the defect.

5.3. Notice of defects must be made in writing. The Principal will immediately notify the Contractor of defects of the delivery item, as soon as they are ascertained according to the circumstances of a proper course of business. For services such as assembly, maintenance, etc. the above regulations apply analogous. The warranty period is 24 months and starts after the flawless acceptance of the item of delivery/service. The warranty of the Contractor also covers the parts manufactured by its subcontractors. In the case of Notice of Defects, the warranty period will be prolonged for the period between Notice of Defects and correction of faults. If the delivery item is replaced in whole the warranty period starts anew; if the delivery is replaced in part the warranty period, starts anew for the parts replaced. The parts rejected due to the warranty will remain at the disposal of the Principal until their replacement and will be property of the Contractor by replacement.

5.4. The Contractor will release the Principal from claims from manufacturer's liability, as well as on the grounds of the product liability, in as far as the Contractor or its subcontractors have caused the product fault causing the liability.

5.5. The Contractor shall be liable for the damages caused verifiably culpably by him. For the safeguarding of possible compensation claims from this contract, the Contractor will prove, together with the order confirmation, conclusion of a liability insurance with an appropriate sum insured, as a lump sum for personal injury, material and property damages. The sum insured must be stated to the Principal at the time of order confirmation.

6. TESTS

6.1. If tests are agreed for the delivery item, the Contractor shall bear the costs for the material and personnel costs of the inspection.

The Contractor shall notify the Principal its readiness for testing bindingly at least 10 days in advance and to fix the test date jointly with Principal. If the delivery item is not presented at this date, the personnel test costs of the Principal will be at the expense of Contractor.

6.2. If repeated or further test are necessary as a result of identified defects, the Contractor shall bear all material and personnel costs. Contractor shall bear the costs of material and personnel for material certificates for the ingoing materials.

7. SHIPPING INSTRUCTIONS

The costs for shipping shall always be borne by the Contractor.

7.1. The contractor shall be liable for damages and bears the costs which are incurred by non-compliance with these provisions. It is also responsible for compliance with the shipping instructions by its subcontractors.

8. TERMS OF PAYMENT

8.1. Invoices must correspond to the order with regard to mode of expression, order of the text and prices. Any excess or short deliveries, which the Principal has agreed to beforehand, must be listed separately on the invoice.

8.2. Payment dates start from the set date, resp. after receipt of the agreed documentation, at the earliest from receipt of the goods and invoice.

8.3. The payment does not signify recognition of conditions and prices. The time of payment has no influence on the warranty of the Contractor and the right to complain.

8.4. With advance payments, the Contractor must provide appropriate security (e.g. bank guarantee) upon demand.

9. DOCUMENTS AND SECRECY

9.1. All plans, documents, programs, electronic data carriers, photographs, videos, constructions, drawings, models as well as documents which are provided to the Contractor and / or its workforce, remain the property of the Principal and shall be returned to it upon request after termination of the work. They may not be made accessible to third parties. This also applies to prints, transcripts or reproductions prepared by Contractor. The Contractor shall transfer to Principal the industrial property rights and copyrights in all documents.

9.2. During the duration of the contract, the Contractor undertakes to keep secret all protected and unprotected procedures, especially technical knowledge and experience, which comes to its attention in connection with the execution of the contract, to not make it accessible to third parties and to impose the same obligation of secrecy on its employees – including in a case of termination. This obligation shall continue after termination of the services. The Contractor shall also assure that third parties, whose services the Contractor makes use of, will be subjected to secrecy in the same manner as the Contractor has accepted within the framework of this agreement. The Contractor shall be liable for all damages, which arise for the Principal from the violation of these obligations.

9.3. The Contractor shall submit all necessary documents, which are necessary to discuss the delivery

item, to the Principal in good time. Such a discussion or other participation of the Principal lies exclusively in the area of responsibility of the Contractor and does not release it from possible warranty or other contractual and/or legal obligations.

9.4. Documentation of all types, which the Principal requires for the use, installation, assembly, processing, warehousing, operation, service, inspection, maintenance and repair of the delivery item, must be provided by the Contractor to the Principal free of charge upon request.

10. ASSEMBLIES, MAINTENANCE, INSPECTIONS, REPAIRS, ETC.

10.1. If assemblies, remedies, maintenance, inspections, repairs, etc. are conducted by the Contractor in a Principal's plant, the safety and regulatory provisions of the Principal apply.

10.2. The Contractor bears the risk for its property brought into the operation area of the Principal.

11. PATENT INFRINGEMENT

The Contractor shall be liable that patents, licences or third-party protective rights are not infringed by the delivery and use of the delivery items. Any licence fees shall be borne by the Contractor. If the Contractor and/or its vicarious agents make inventions or improvements when fulfilling the service contract, the Principal shall be entitled to use these unrestricted and free of charge. Principal's customers are also entitled to the unrestricted and free of charge use of these rights. The Contractor shall ensure this in the contracts with his vicarious agents and when subcontracting.

12. PLACE OF FULFILMENT, LAW, PARTIAL INEFFECTIVENESS, PLACE OF JURISDICTION

12.1. Place of fulfilment for all payments is Langenfeld.

12.2. German law applies exclusively.

12.3. Should individual provisions of these conditions be legally ineffective, the effectiveness of the remaining provisions shall not be affected. Legally ineffective provisions shall be replaced by legally effective provisions which most closely serve the economic interests.

12.4. Place of jurisdiction for all disputes resulting from the contract is Langenfeld.