

GENERAL TERMS AND CONDITIONS OF PURCHASE OF THE DIETZE GROUP

1. LEGAL FORCE

The terms and conditions of purchase as stipulated by this document are valid for the following individual companies which belong to the „Dietze Group“ of companies:

BRUNO DIETZE GMBH & CO. KG, COBURG, GERMANY
ELBIK GMBH, KEHL, GERMANY
ELBIK STANZTECHNIK GMBH, ALTENA, GERMANY
ELDUR AG, MAIENFELD, SWITZERLAND
ELDUR CORPORATION, BANGOR/MAINE, USA
ELDUR SLOVAKIA K.S., NESVADY, SLOVAKIA
LEAD TECH, HONGKONG, CHINA

The terms and conditions of purchase as stipulated by this document are referred in this document as to „terms and conditions of purchase of the Dietze Group“ (or in abbreviation „Terms and Conditions“).

2. DEFINITIONS

In this document: (a) „Agreement“ shall mean each agreement entered into between Supplier and any company of the Dietze Group as mentioned above, for the supply of Goods and/or Service(s) to Buyer; (b) „Goods“ shall mean both tangible and intangible goods, including software. References to Goods shall, where appropriate, be deemed to include Services; (c) „Buyer“ shall mean the purchasing Dietze Group organization, and will be identified as the purchasing entity on the face of the purchase order or any other document; (d) „Services“ shall mean the services to be performed by Supplier to Buyer under the Agreement; (e) „Supplier“ shall mean each person or entity (including, where relevant, its affiliates) which enters into the Agreement.

3. APPLICABILITY AND CONCLUSION OF THE AGREEMENT

- a) These General Conditions of Purchase shall apply to all Agreements as well as to all offers by Supplier and all requests for offers and purchase orders by Buyer.
- b) Supplier's general conditions of sale are hereby expressly rejected. Only mutually agreed proposed additions to Buyer's offer are acceptable.
- c) No variation of the Agreement and no additional terms shall apply, unless agreed by Buyer in writing.
- d) Purchase orders of Buyer shall be binding upon Buyer only when given in writing.
- e) All costs incurred in preparing and submitting any offer shall be for the account of Supplier.

4. TIME OF THE ESSENCE

For the purposes of Supplier's obligations under the Agreement, time is of the essence and all dates referred to herein and in the Agreement shall be firm. In the event that Supplier anticipates any difficulty in complying with any delivery date or any of its other obligations under the Agreement, Supplier shall promptly notify Buyer in writing.

5. DELIVERY OF GOODS

- a) Unless expressly agreed otherwise in writing, all Goods shall be delivered Ex-Works, as defined in the latest version of the Incoterms as issued by the International Chamber of Commerce, Paris, France.
- b) Delivery will be deemed completed at the moment receipt has been acknowledged by Buyer in writing.
- c) Risk and title to the Goods shall pass to Buyer on delivery and title to all Goods transferred shall be free from any and all liens and encumbrances.
- d) Supplier shall, concurrently with the delivery of the Goods, provide Buyer with copies of all applicable licences.
- e) Supplier shall make no partial delivery or delivery before the agreed delivery date(s) and Buyer shall not be liable for any costs incurred by Supplier in relation to the Goods related to production, installation, assembly or any other work related to the Goods, prior to delivery in accordance with the Agreement.

f) Any design, manufacturing, installation or other work to be performed by or on behalf of Supplier under the Agreement shall be executed with good workmanship and using proper materials.

g) As a minimum requirement, Goods shall comply with all applicable quality and certification standards.

h) Supplier shall pack, mark and ship the Goods in such manner as to prevent damage during transport and to facilitate efficient unloading, handling and storage, and all Goods shall be clearly marked as destined for Buyer.

6. PERFORMANCE OF SERVICES

a) Supplier shall perform the Services with due skill and care, using the proper materials and employing sufficiently qualified staff.

b) Supplier shall be fully liable for any and all third parties with which it has contracted in connection with the Services.

c) Only written confirmation by Buyer shall constitute acceptance of the Services performed.

7. INSPECTION

a) Inspection by Buyer of the Goods delivered or the Services provided shall not constitute acceptance. Inspection or acceptance by Buyer shall not release Supplier from any of its obligations, representations or warranties under the Agreement.

b) Buyer may, at any time, inspect the Goods or the manufacturing process for the Goods. For the purpose of such inspections, Supplier shall grant access to the relevant location and shall fully co-operate.

c) If Buyer does not accept any of the Goods or Services, Buyer shall promptly notify Supplier of such rejection, and Section 12 below shall apply. Within 2 weeks from such notification, Supplier shall collect the Goods from Buyer at its own expense or shall promptly perform the Services in accordance with Buyer's instructions. If Supplier does not collect the Goods within said 2-week period, Buyer may have the Goods delivered to Supplier at Supplier's cost, without prejudice to any other right or remedy Buyer may have under the Agreement or at law.

d) If, in Buyer's reasonable opinion, Supplier cannot or will not deliver the Goods or perform the Services as instructed, Buyer shall be entitled to terminate the Agreement with immediate effect, without prejudice to any other right or remedy it may have under the Agreement or at law.

8. PAYMENT

a) All purchase prices quoted in the Agreement shall be fixed prices.

I) All Prices are gross amounts but exclusive of any value added tax (VAT), sales tax, consumption tax or any other similar tax only.

II) If the transactions as described in this Agreement are subject to any applicable VAT, sales tax, consumption tax or any other similar tax, Supplier will be allowed to charge VAT, sales tax, consumption tax or any other similar tax to Buyer, which will be paid by Buyer on top of the Prices. Supplier is responsible for paying any applicable VAT, sales tax, consumption tax or any other similar tax to the appropriate (tax) authorities. Supplier shall issue an invoice containing wording that will allow Buyer to take advantage of any applicable „input“ tax deduction. In addition, Supplier will inform Buyer whether Buyer is allowed to apply for an exemption if and to the extent allowed under applicable law in such specific situation.

b) Any license fees shall be included in the purchase price.

c) Subject to the acceptance of the Goods and/or Services by Buyer, payment shall be made within sixty (60) days from the end of the month of the receipt of the correct invoice in the proper form. In the event that payment is not made by Buyer within said 60-day period, Buyer's liability to Supplier shall be limited to interest over the amount unpaid at a rate not to exceed 6% per annum.

d) If Supplier fails to fulfill any of its obligations under the Agreement, Buyer may suspend payment to Supplier.

e) Buyer shall at all times have the right to set off any amounts owing from Supplier to Buyer or any of its affiliates against any amount owing from Buyer or any of its affiliates to Supplier, irrespective of the nature of any such claim.

f) Supplier acknowledges and agrees that any amount to be paid by Buyer to Supplier may be paid on Buyer's behalf by another company, firm or legal entity belonging to the Dietze Group of Companies and / or a third party designated by Buyer.

Supplier will treat such payment as if it were made by Buyer itself and Buyer's obligation to pay to Supplier will automatically be satisfied and discharged for the amount paid by such company, firm or legal entity or third party.

9. WARRANTY

Supplier represents and warrants to Buyer that:

- (a) all Goods are suitable for the intended purpose and shall be new, of good quality, design, materials, construction and workmanship, and free from defects and
- (b) all Goods and Services comply with the specifications, approved samples and all other requirements under the Agreement
- (c) title in all Goods transferred shall be free from any and all liens and encumbrances
- (d) all Goods have been designed, manufactured and delivered, and the Services have been provided in compliance with all applicable laws (including labour laws) and regulations
- (e) Goods and Services are provided with and accompanied by all information and instructions necessary for proper and safe use
- (f) all required licences in relation to the Goods are and shall remain valid and in place, that the scope of such licences shall properly cover the intended use of the Goods and all such licences shall include the right to transfer and the right to grant sub-licences
- (g) where the Goods or Services incorporate or concern chemicals or dangerous hazardous goods or substances, these will be provided with written and detailed specifications of the composition and characteristics of such goods or substances and of all laws, regulations and other requirements relating to such goods or substances in order to enable Buyer to transport, store, process, use and dispose of such Goods properly and in a safe manner.

10. OPEN SOURCE SOFTWARE WARRANTY

Supplier represents and warrants that the Goods do not include any portion of any Open Source Software. „Open Source Software“ shall mean:

- (a) any software that requires as a condition of use, modification and/or distribution of such software, that such software:
 - (I) be disclosed or distributed in source code form; and/or
 - (II) be licensed for the purpose of making derivative works; and/or
 - (III) may only be redistributed free from enforceable intellectual property rights; and/or
- (b) any software that contains, is derived from, or statically or dynamically links to, any software specified under (a).

11. EXPORT CONTROL LAWS

Supplier shall obtain all international and national export licences or similar permits required under all applicable export control laws and regulations in relation to the Goods and shall provide Buyer with all information required to enable Buyer and its customers to comply with such laws and regulations.

12. REJECTION OF GOODS

a) In the event of any breach by Supplier of any warranty or representation contained herein, Buyer may, without prejudice to any other right or remedy available to it under the Agreement or at law, reject the Goods. In the event of such rejection, Buyer shall notify Supplier and may, at its sole discretion:

- (aa) claim a full refund of the purchase prices paid under the Agreement; or
- (ab) require Supplier promptly to remedy the non-conformance or to replace the rejected Goods with Goods meeting the specifications.

--For Buyer registered in Germany only the following special provisions related to the German Law will apply:

- (aa) at its sole discretion Buyer may require Supplier to remedy the non-conformance or to replace the rejected Goods with Goods meeting the specifications within a reasonable period of time, or
- (ab) if remedy or replacement is unsuccessful Buyer shall be entitled to cancel the Agreement or reduce the remuneration--

b) Supplier shall bear all cost of repair, replacement and transportation of the rejected Goods, and shall reimburse Buyer in respect of all costs and expenses (including, without limitation, inspection, handling and storage costs) reasonably incurred by Buyer in connection therewith.

c) Risk in relation to the rejected Goods shall pass to Supplier upon rejection.

13. OWNERSHIP AND INTELLECTUAL PROPERTY

a) All specifications, drawings, information, moulds, jigs, tools and other materials (collectively „Materials“) provided by Buyer or any of its affiliates or which have been developed or bought by Supplier at Buyer's or any of its affiliates' costs or expenses and/or for the sole benefit and with the approval of Buyer or any of its affiliates, shall remain or become the

property of Buyer or any of its affiliates and Supplier shall transfer the Materials to Buyer or any of its affiliates upon Buyer's or any of its affiliates first demand. Supplier shall clearly mark the Materials as property of Buyer or any of its affiliates and shall keep the Materials in safe storage at its own risk and expense. Supplier shall use the Materials exclusively for the purposes of the Agreement.

b) Supplier represents and warrants that the Goods and Services do not infringe and will not cause infringement of any intellectual property rights.

c) All information, drawings, specifications, designs, inventions and technologies developed by Supplier under the Agreement and all intellectual property and other rights therein shall vest in Buyer or any of its affiliates. Supplier assigns or shall cause to assign to Buyer or any of its affiliates all right, title and interest to any and all such items and shall do everything necessary to perfect such rights and to protect Buyer's or any of its affiliates' interest therein.

d) Supplier shall not have any right, title or interest in or to any of Buyer's or any of its affiliates' trademarks, nor shall the supply of Goods and/or Services and packaging containing Buyer's or any of its affiliates' trademarks, trade names give Supplier any right or title to these or similar trademarks or trade names. Supplier shall not use any trademark, trade name or other indication in relation to the Goods or Services without Buyer's or any of its affiliates' prior written approval and any use of any trademark, trade name or other indication as authorized by Buyer or any of its affiliates shall be strictly in accordance with the instructions and for the purposes specified by Buyer or any of its affiliates.

e) Supplier shall not, without Buyer's or any of its affiliates' prior written consent, make any reference to Buyer or any of its affiliates, whether in press releases, advertisements, sales literature or otherwise.

14. INTELLECTUAL PROPERTY INDEMNIFICATION

a) Supplier shall indemnify Buyer and its affiliates in respect of any and all damages, costs and expenses (including but not limited to loss of profit and reasonable attorneys' fees) in connection with any third party claim that any of the Goods or Services or their use infringes any intellectual property right, or, if so directed by Buyer or any of its affiliates, shall defend any such claim at its expense.

b) Buyer or any of its affiliates shall give Supplier written notice, as soon as reasonably possible, of any such claim. Supplier shall provide all assistance in connection with any such claim as Buyer or any of its affiliates may reasonably require.

c) If any Goods or Services, supplied under the Agreement are held to constitute an infringement and its use is enjoined, Supplier shall, as directed by Buyer, but at its own expense: either

- (I) procure for Buyer or any of its affiliates the right to continue using the Goods or Services; or
- (II) replace or modify the Goods or Services with a functional, non-infringing equivalent.

d) If Supplier is unable either to procure for Buyer or any of its affiliates the right to continue to use the Goods or Services or to replace or modify the Goods or Services in accordance with the above, Buyer may terminate the Agreement and upon such termination, Supplier shall reimburse to Buyer or any of its affiliates the purchase price paid, without prejudice to Supplier's obligation to indemnify Buyer as set forth herein.

15. INDEMNIFICATION

Without prejudice to any other right or remedy available to Buyer under the Agreement or at law, Supplier shall indemnify and hold Buyer harmless against damages, claims, losses or liabilities and expenses, including attorney's fees, arising directly or indirectly from any breach or non-performance by Supplier of its representations, warranties and obligations under the Agreement.

16. FORCE MAJEURE

In the event that Supplier is restrained from performing any of its obligations under the Agreement for reason of force majeure, the performance of the obligation concerned will be suspended for the duration of the force majeure. If the circumstance constituting force majeure endures for more than 30 days, Buyer shall be entitled to dissolve the Agreement with immediate effect by written notice to Supplier, and upon such notice, Supplier shall not be entitled to any form of compensation. Force majeure on the part of Supplier shall in any event not include shortage of personnel or production materials or resources, strikes, breach of contract by third parties contracted by Supplier, financial problems of Supplier, nor the inability of Supplier to secure the necessary licences in respect of software to be supplied or the necessary legal or administrative permits or authorisations in relation to the Goods or Services to be supplied.

17. SUSPENSION AND TERMINATION

Without prejudice to any other right or remedy available to Buyer under the Agreement or at law, Buyer will be entitled at its discretion to suspend the performance of its obligations under the Agreement in whole or in part or to terminate the Agreement in whole or in part by means of written notice to Supplier in the event that:

- (a) Supplier files a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, assignment for the benefit of creditors or similar proceeding;
- (b) Supplier becomes the subject of a petition in bankruptcy or any proceeding relating to insolvency, receivership, liquidation, assignment for the benefit of creditors or similar proceeding and such petition or proceeding is not dismissed within thirty (30) days from filing of such petition or proceeding;
- (c) Supplier ceases or threatens to cease to carry on business in the ordinary course;
- (d) Supplier breaches any of its obligations under the Agreement and, provided such breach is capable of remedy, fails to remedy such breach within 30 days following receipt of a written notice from Buyer identifying the breach and requiring it to be remedied.

Buyer shall not be liable to Supplier by virtue of such termination.

18. CONFIDENTIALITY

- a) Supplier shall treat all information provided by or on behalf of Buyer under the Agreement as confidential and shall be used by Supplier use only for the purposes of the Agreement. All such information shall remain Buyer's property and Supplier shall, upon Buyer's first demand, promptly return to Buyer all such information and shall not retain any copy thereof.
- b) The contents of the Agreement shall be treated as confidential by Supplier.

19. MISCELLANEOUS

- a) Supplier shall not subcontract, transfer, pledge or assign any of its rights or obligations under the Agreement without the prior written consent of Buyer. Any such pre-approved subcontracting, transfer, pledge or assignment shall not release Supplier from its obligations under the Agreement.
- b) Neither the failure nor the delay of Buyer to enforce any provision of the Agreement shall constitute a waiver of such provision or of the right of Buyer party to enforce each and every provision of the Agreement.
- c) The Agreement shall be governed by and construed in accordance with the laws of the State of incorporation /registration of Buyer.
- d) Supplier and Buyer each consents to (I) the exclusive jurisdiction of the competent courts in the country of incorporation /registration of Buyer; or (II), at the option of Buyer, of the competent courts of the place of residence of Supplier; and hereby waives all defenses of lack of personal jurisdiction and forum non-conveniens.
- e) The United Nations Convention on International Sale of Goods shall not apply to the Agreement.
- f) In the event that any provision(s) of the Agreement or these Terms and Conditions shall be held invalid or unenforceable by a court of competent jurisdiction or by any future legislative or administrative action, such holding or action shall not negate the enforceability of any other provisions hereof.
- g) Limitation of liability:
No party shall be liable to the other for any indirect, incidental, punitive, special or consequential damages (including lost profits or lost savings) arising out of any Agreement, whether or not such damages are based on tort, warranty, contract or any other legal theory – even if such party has been advised, or is aware, of the possibility of such damages. In no event shall Buyer be liable for excess procurement costs and rework charges.