

General Terms and Conditions of Purchase and Payment for Temes Engineering GmbH

Rev. 1/2007

IMPORTANT NOTE:

The terms and conditions described in this document are a translation of the original German text and are for reference purposes only. Only the original German version of the general terms and conditions (EINKAUFSBEDINGUNGEN DER Temes Engineering GmbH, Rev. 1/2007) is and will always remain applicable, valid, and legally binding. Temes is not responsible for any errors, errors in translation, or omissions in this document.

1. Applicability

Only these general terms and conditions of purchase apply for all orders, order confirmations and contracts for Temes Engineering with its suppliers. For the purpose of the contract no other conditions are acknowledged or acceptable. All other agreements whether made in person or by telephone or cable must be confirmed in writing by Temes Engineering in order to become legally valid. These terms and conditions apply and are considered agreed to by the supplier even if the supplier's own terms and conditions are indicated and contradict those of Temes Engineering and even if delivery of goods is accepted by Temes Engineering without objection. All agreements between Temes Engineering and its suppliers for the purpose of fulfilling a contract must be made in writing. These terms and conditions of purchase also apply to all future contracts with our suppliers, even if they are not expressed or agreed to again. These terms and conditions apply only to legal entities as defined by the laws of the Federal Republic of Germany (§ 14 BGB).

2. Prices and Conditions of Payment

All prices agreed to are binding. They are valid for the prepaid delivery to the shipping address (according to Incoterms2000) including all value added taxes. All invoices must be sent to our head office: Birkerfeld 53, 83627 Warngau. Invoices can only be processed if they contain our business identification and our order number. The supplier is responsible for any consequences resulting from a failure to fulfil this condition. Unless otherwise agreed to in writing, payment will be made within 10 days with a 2% discount (Skonto) or paid in full within 30 days calculated from the date of receipt of the goods ordered. The supplier is not entitled to change any requirements or conditions, or allow this to occur for third parties, without written approval from Temes Engineering. This written approval from Temes Engineering can not be withheld without justification.

3. Packaging and Transport

The supplier is responsible, within the framework of a quality management system, to ensure that the quality of the delivery is guaranteed through the use of proper packing material, proper storage, and proper transport to the person, persons, or location indicated by Temes Engineering for shipping. Only suitable packaging and methods of transport are to be used for delivery of the products. Standards for proper packaging must be agreed to and defined if required. For pre-paid deliveries, the supplier must ensure that the products are delivered to us or the persons designated by us to receive the goods in a safe and proper manner.

4. Delivery and Transfer of Title and Transfer of Risk (Transfer of Charge)

The delivery dates agreed to with all suppliers are binding. If a delay in delivery occurs or becomes inevitable, the supplier is obligated to inform Temes Engineering immediately in writing and must indicate the reasons for the delay. Timely delivery, and therefore an on-time delivery, is defined using the date of the transfer of charge. Unless otherwise agreed in writing by the parties, transfer of title shall take place upon arrival of the goods at buyer's premises or the destination otherwise agreed. Any reservation of title or property right clauses coming from Seller shall be deemed not written. Transfer of risk shall take place according to the INCOTERMS 2000 provisions applicable to the supply. If no INCOTERMS 2000 provision is applicable or if it is not specified, transfer of risk shall follow transfer of title. In case of delays in delivery, Temes Engineering maintains all rights to claims allowable by law. In particular, we maintain the right to claim for damages instead of delivery of the goods should delivery not be completed after a reasonable amount of time after the delivery date agreed to in the contract. In case of claims for damages by Temes Engineering, the supplier has the right to prove that he is not responsible for the delivery delay. All contractual agreements are valid for determining the content of the delivery, the type of delivery, what is

delivered, and in particular the quality of the goods, their measurements and quantities. All services are to be performed according to standard business practices, and be done according to applicable standards such as DIN, VDE, VDI, or equivalent unless other requirements are agreed to by Temes Engineering in writing and in advance. If the named standards are not applicable or are replaced with specialized standards, the specialized standards have priority. All deliveries must be performed in such a manner that they meet all public and legal requirements such as device safety laws, EU machine guidelines, and safety requirements applicable for the destination location on the day of delivery.

5. Receiving of Deliveries

Deliveries can only be accepted on the following days and times:

Main office, Wangau:

Monday to Thursday 09:00 – 16:00

Friday: 09:00 – 12:00

6. Identification and Traceability of Products

All delivered items must be clearly marked with the specification (if applicable) and the date of manufacture unless otherwise agreed to in writing. Should a defect be found by Temes Engineering, it must be possible to trace the process and the materials used to isolate the error to limit the number of defective products produced. The supplier must provide Temes Engineering with enough information about the product markings and process to allow us to trace problems ourselves if necessary. Any changes to the product marking or process must be documented and be approved by Temes Engineering in advance.

7. Quality Tests done by Temes Engineering

The obligations of the supplier, with reference to the supplier's quality control commitments, release Temes Engineering of much of its duties with regard to checking and controlling product quality (based on § 377 HGB). When goods are received, only a check of the product identification and quantity is always done and the packaging is checked for obvious damage during transport. Spot checks can be done on selected products at any time, based on the quality control specifications and history of specific products. For this reason, the supplier must provide Temes Engineering with all relevant documentation and information required to properly perform spot checks to verify the quality of the products being delivered.

8. Guarantee

Temes Engineering has the right to make all claims with regard to defective products allowable by law without any restrictions of any kind. Independent of this, we are entitled to decide whether the defective product is to be repaired or replaced by the supplier. The supplier must carry all costs related to the repair or replacement of defective products, including but not limited to for example freight charges or removal and mounting costs. Temes Engineering explicitly reserves the right to claim all damages, especially the damages resulting at the point of use, without any limitations. The statute of limitations for these claims is 24 months, starting on the date of the transfer of title and risk (transfer of charge).

9. Product Liability

Should the supplier be found responsible for a product defect, he is responsible to free Temes Engineering of all third party claims for damages, should any such claims occur. Because the source of the claim is the responsibility of the supplier, its organization, or factors under its control, the supplier is responsible and liable for all third party claims for damages. The supplier is also responsible for all possible claims or replacement costs that result from a possible recall action initiated by Temes Engineering of products already sold or in use.

10. Proprietary Information and Confidentiality

Any data, drawings, designs, calculations, samples, models, equipment or other material or information which is either provided by Temes Engineering or provided by the supplier but paid for by Temes Engineering as a part of the goods' purchase price, shall be solely owned by Temes Engineering and shall be considered our proprietary and confidential property or information. The supplier agrees to keep strictly confidential any and all materials and information as well as any other proprietary materials and/or information received from Temes Engineering for the purposes of the contract and to avoid communication or disclosure of such material and/or information to any third party unless with prior written consent of Temes Engineering. The supplier must return any and all materials to Temes Engineering upon completion of the contract, or immediately, if requested to do so by Temes Engineering.

11. Disposal and Recycling of Electrical and Electronic Devices

The supplier is responsible to accept the return and for the proper and lawful disposal of all products as required by section 10 of the Electrical and Electronic Equipment Act, or ElektroG (producer obligation to take back waste electrical and electronic equipment) and any costs involved in the returning or disposal of these products. These include those products which have been resold by Temes Engineering and any products that have been passed or sold to other customers. The supplier releases Temes Engineering of any and all obligations as required by section 10 of the Electrical and Electronic Equipment Act, or ElektroG (producer obligation to take back waste electrical and electronic equipment), from any costs involved in the returning or disposal of these products, and from any third party claims. The acceptance or release of obligations for the supplier does not take effect before 2 full years after the end of the useful life of the product. This time starts only when a written request is received from the customer informing of the end of the useful life of the product and the intention to dispose of it in a proper and lawful manner.

12. Court of Jurisdiction and Place of Performance

If the supplier is a purchasing agent, it is hereby agreed that all claims arising from the contract shall be filed with the court of jurisdiction at Munich, Germany. Temes Engineering reserves the right take legal action against the supplier in his court of jurisdiction provided no other legal action has been started at another location. Unless otherwise agreed in writing, the place of performance for payment and acceptance of delivery is our office in Warngau. The applicable laws are those of the Federal Republic of Germany. The United Nations agreement from 11.04.1980 regarding contracts regulating international trade is not applicable.