

General Terms of Business

of

MBW Maschinenbau GmbH, In der Weide 16, D-55411 Bingen-Sponsheim

1. Scope

- 1.1 These General Terms of Business describe the legal relations between ourselves and our customers.
- 1.2 Deviating terms of the customer which we do not explicitly accept in writing are not binding on us, even if we have not expressly opposed them.
- 1.3 Other terms, changes and extra work require our written confirmation.

2. Proposal and order confirmation

- 2.1 All offers are without obligation. Our obligatory scope of supplies and services is defined in our written order confirmation.
- 2.2 Deviations, if any, from the customer's order are deemed accepted by the customer unless he contradicts within 8 days of the receipt of the order confirmation and further unless the changes refer to parts of the contract of which we are aware or should be aware that they are essential to the customer. The above does not apply if these General Terms are not applied in commercial business.
- 2.3 The information in documents on which our order confirmation is based, e.g., figures, drawings, dimensions and weight data, are of general nature and only approximate.

3. Copyright and retention of title in drawing, etc.

We retain the title to all drawings, sketches, cost estimates, and other documents attached to our proposals and order confirmations. The customer shall use these documents only for the agreed purpose and shall not duplicate them without our agreement. These documents and all copies made thereof shall be returned to us on request. They must not be disclosed to any third party.

4. Delivery and delay of delivery

- 4.1 Delivery dates and periods are only binding if the customer has provided all documents and required information to us in time and cooperates where required and does not delay any other material contract obligation, in particular, payment obligation.
- 4.2 If we are prevented from meeting a deadline, including a binding deadline, due to force majeure, events beyond our control, such as, for example, mobilization, war, commotion, strike, lockout, delay or defective delivery from suppliers or other disruption of operation of similar severity, the customer can allow us a grace period of not less than four weeks at the end of which he can cancel the contract by registered notice if he is no longer interested in the delivery due to the delay.
If a purchase order includes the solution of design or development tasks, the grace period shall at least be two months.
- 4.3 If in the above circumstances the supply or service becomes impossible or unacceptable, we shall be exempted from all delivery obligations. This also applies if the above events affect our operations or work to such an extent that we are prevented from the performance of the contract. We will inform the customer of the occurrence without delay as soon as the extent of its effects are known.
- 4.4 The customer is not entitled to claim damage in any of the above cases unless for cancellation or delay. This does not apply if it can be proved that we have acted with intent or gross negligence.
- 4.5 We are entitled to make partial deliveries.
This does not apply if the customer is not interested in partial deliveries and the agreed date for performance has lapsed. A complaint in connection with a partial shipment is not a reason for rejecting other consignments.

5. Place of performance, acceptance and passing of risk

- 5.1 The place of performance for delivery and payment is Bingen.
- 5.2 The customer is obliged to accept the delivery item in our factory within 8 days of the information that the work is completed.
- 5.3 The risk passes to the customer at the time of acceptance, on the day of the unmotivated rejection of acceptance, in case of inactivity on the part of the customer at the end of one week after the date according to subarticle 5.2, at the end of a separately agreed time for acceptance and in any case if the customer starts using the delivery item. If according to agreement the delivery item is shipped to the customer or another party, the risk passes at the time of transfer of the delivery item to the carrier (forwarder, railways, company driver, etc.). If we take back the delivery article for reasons for which we are not responsible, the customer bears the risk until the goods are received by us.

6. Prices and payment

- 6.1 All prices quoted by us are ex-works prices, plus value-added tax at the rate applicable at the time of delivery, without transport insurance and packaging. Payments must be made to our point of payment free of any deduction as follows:
1/3 within 8 days after receipt of the order confirmation
1/3 within 8 days of the information to the customer that the main components are ready for dispatch
1/3 within 20 days of the delivery of the goods.
We reserve the right to demand from the customer the presentation of an irrevocable and indefinite bank guarantee in the amount of the contract price at the time of acceptance of the order.
- 6.2 If the customer delays payment, he is in default at the time of the first reminder. Notwithstanding the possibility of claiming damage in excess of the actual damage amount, we can demand interest for delay at a rate of 3 % above the current discount rate of the German Federal Bank.
- 6.3 We are not obliged to accept drafts or checks. Drafts and checks are only accepted on account of payment. We are not responsible for the timely presentation, protesting, information or return of a draft or check that is not encashed.
- 6.4 The customer is not entitled to set off a counterclaim or retain payment unless we have accepted the counterclaim in writing or the counterclaim has finally been determined by a court of law.
- 6.5 If the customer requires changes after the confirmation of the order, we will bill any extra costs incurred by us.

7. Retention of ownership

- 7.1 We retain the title to all goods supplied by us until payment of all amounts due under business done with the customer have been paid in full. This also applies if any or all outstanding amounts are included in a current invoice and the account is balanced or accepted by us. If the customer is a reseller, he is entitled to resell the reserved goods in the ordinary course of business; he is not permitted to provide reserved goods as security or lien or to create any other charge on them. The customer is obliged to secure our rights in reserved goods sold by him.
- 7.2 The customer hereby assigns to us all claims in connection with the resale of the reserved goods; we accept the assignment. Any processing or conditioning of the reserved goods is for us without creating a liability for us. If reserved goods are processed or combined with other goods which do not belong to us we obtain co-ownership in the new product in the ratio the value of the reserved goods bears to the value of the other goods. If the customer becomes the sole owner of the new goods, it is agreed that the customer grants us co-ownership of the new goods in the ratio of the value of the processed or combined reserved goods in the new goods and keeps the goods for us without charge. The customer undertakes to agree to any extraordinary disposal of the

ownership (e.g., pledging, provision as security) only with our previous consent.

- 7.3 If reserved goods are sold together with other goods, whether with or without processing or combination, the above advance assignment applies only in the amount of the value of the reserved goods which are sold together with other goods. Until revoked, which is possible at any time, the customer is entitled to collect amounts receivable from resale of reserved goods. He is not entitled to dispose of any such receivable amount by assigning it to a third party if any of our rights are involved.
- 7.4 If requested by us, the customer shall disclose all details required for collection of any assigned claims and inform the debtors of the assignment. The buyer is obliged to inform us without delay of any execution into the reserved goods or in assigned receivables and at the same time submit all documents to enable us to file an objection according to the foregoing provisions.
- 7.5 We agree to release any claims assigned to us as security at the request of the customer if and to the extent to which the value thereof exceeds the claim to be secured by more than 20%. The assertion of retained title and the levy of execution of the delivered goods by us is not deemed to be a withdrawal from the contract.

8. Warranty

Our liability for defects in the goods, which also includes the absence of expressly warranted characteristics, is as follows, to the exclusion of any other liability:

- 8.1 Defects which existed at the time of passing of risk and which are communicated to us within 6 months after the passing of risk, will be made good by us at our choice either by repair or replacement. All defects must be communicated to us without delay after their detection. If the repair attempts and the replacement fail, the customer can cancel the contract or demand a price reduction. Replaced parts become our property.
- 8.2 Our liability for parts delivered by other suppliers whose value is not insignificant in relation to the value of the delivery item is limited to the assignment of all warranty claims due to us against the supplier of these parts. In any such case, our direct warranty obligation for claims which are not time-barred applies only if the customer cannot enforce warranty claims against the supplier and only from the time of such inability to enforce. In this case, the warranty period for claims of the customer on us is interrupted from the time the action is brought against the supplier until the final decision of the competent court and the unsuccessful enforcement of the claim.
- 8.3 We are not liable for damage caused by any of the following reasons:
Unsuitable or improper use, wrong installation or start-up by the customer or a third party, non-compliance with our operation instructions, natural wear and tear, wrong or negligent treatment, damage caused by water, omitted prescribed maintenance, chemical, electrochemical or electrical effects, unless they are due to intent or gross negligence on our part, modifications or repair work without our approval.
- 8.4 For complaints concerning defects for which we are not responsible we reserve the right to bill the customer with the costs of travel and accommodation, plus salary and wages, of our technicians incurred during the examination and repair attempts, as well as all costs of materials. If a notice of defect is justified, we bear the cost for a replacement item, including dispatch, and the cost of removal and installation, also the cost of travel and accommodation and the personnel expenses for our technicians, if from case to case it is reasonable to call them to the site. All other costs shall be borne by the customer.
- 8.5 If the delivered item is abroad, our obligation is limited to carrying out repairs in our factory and the costs of transportation to and from our factory shall be paid by the customer. If on the customer's request we carry out the repair at the foreign site, the customer shall bear the cost of technicians' travel and accommodation as well as the transportation costs of parts; all other costs are borne by us. If the foreign country levies import tax on parts and/or customs duties, these shall be borne, or refunded to us, by the customer.
- 8.6 The customer shall allow us reasonable time and opportunity of carrying out all activities which we consider necessary for obtaining the success of the service and the delivery of parts and replacement goods. If the customer fails to comply with our instructions and thereby prevents or substantially hampers the success of our service, our liability for defect is null and void.
- 8.7 If attempts at repair or replacement fail, the customer can cancel the contract or demand a price reduction.
- 8.8 Any other claims by the customer, in particular, for damage which has not been caused to the delivery item directly (damage consequential upon a defect) which are not the result of the lack of a warranted characteristic, are excluded. The above does not apply if we have acted with intent or gross negligence.

9. Liability

- 9.1 The customer cannot raise claims for damage for whatever legal cause, including claims from tort and the compensation of consequential damages. The above does not apply if we have acted with intent or gross negligence.
- 9.2 Our liability is in any case limited to double the contract value but in any case to € 100,000.00: this maximum amount also applies if double the contract value is insufficient cover for the damage occurred.
In defining the amount of damage to be paid by us, our financial situation, the type, scope and duration of our business relations and the value of the contract shall be considered in good faith.

10. Legal venue and concluding provisions

- 10.1 The exclusive legal venue for all dispute is Bingen.
- 10.2 The application and interpretation of these General Terms of Business and the conclusion and interpretation of legal transactions with the customer shall be guided exclusively by the laws of the Federal Republic of Germany; the Uniform Laws on the International Sale of Goods are excluded.
- 10.3 Modifications and amendments of these General Terms of Business in order to be valid require the written form.
- 10.4 If any provision or part of a provision in these General Terms of Business should be or become invalid, such invalidity does not affect the other provisions. The customer and we will replace the invalid provision by a valid provision which as closely as possible resembles the legal and financial intention and purpose of the parties in making the provision.

Bingen, August 2005

MBW Maschinenbau GmbH