

General terms and conditions of purchase.

CAMTEC Systemelektronik GmbH

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1. General – Scope of validity

Our terms and conditions are absolute. Any contradictory terms and conditions, or terms of our suppliers which vary from our own are not recognised, unless we have expressly written otherwise. Our terms and conditions of purchase still apply, even though we may be aware of conflicting or deviating terms from our suppliers.

1.2

All arrangements between ourselves and the supplier pertaining to the completion of a contract are to be expressly written in the contract.

1.3

Our terms and conditions of purchase only apply to companies as defined in § 310 paragraph 4 BGB of German law.

2. Offers, quotations and pertaining documents.

2.1

The supplier is obliged to accept our offer within two weeks.

2.2

The copyright and property rights of all drawings, measurements, illustrations and such documents is retained by us. These documents may not be made available to any third party without express written permission. They are purely to be used for the execution of our order and are to be returned to us, without the need for a reminder, following the completion of the order. They are to be kept confidential from any third party, as further set out under paragraph 9 subsection. 4.

3. Prices - terms and conditions of payment.

3.1

The price specified in the order is binding. In the absence of any written agreement to the contrary, the price will include door-to-door delivery and

packaging. The return of empty containers and packaging materials is to be at the cost of the supplier, assuming the items are not unrecyclable.

3.2

The price also includes the relevant, legal Value Added Tax (VAT).

3.3

Invoices can only be processed if they are delivered separately from the goods and contain the order reference number already used on the appropriate order. The supplier is responsible for all consequences resulting from not heeding this instruction, in so far as he is not able to prove that this doesn't apply to him.

3.4

In the absence of any alternative written agreement, payment is made by us on the 15th of the month following the delivery. In this case, payment is the purchase price with 3% prompt payment discount, or the net amount within 90 days of receipt of the invoice.

3.5

Our right to offset or withhold fees is as specified in German law.

4. Delivery and delivery time.

4.1

The supplier is to fulfill the contract himself. The use of subcontractors is only permitted with our express written permission.

4.2

The delivery must be carried out punctually, as arranged and to the extent defined in the contract.

4.3

We are entitled to request amendments and changes to the construction, delivery and delivery time on orders which have not yet been completed, as long as we have an understandable reason for doing this and the supplier is able and willing to apply these changes.

4.4

Agreed delivery deadlines are binding; the supplier is to guarantee that the deadline can be met.

4.5

In the case of delays to an order, we are protected as specified by law. We are particularly entitled to demand – following a fruitless wait of an appropriate time – compensation for the delay as well as the fulfillment of the order; compensation for non-completion instead of requiring the the order be fulfilled; or the right to withdraw from the contract. Should we demand compensation, the supplier has the right to prove to us that he is not liable for this.

4.6

Higher logistics costs for express and such services, which arise from an inability to meet the agreed deadline, are to be covered by the supplier.

4.7

The supplier is obliged to immediately inform us when circumstances should occur that hinder him from meeting the agreed deadline, or when he recognizes that the deadline cannot be met.

5. Transfer of risk – documents

5.1

In the absence of an alternative written agreement, delivery should be door-to-door. The risk transfers to us once the goods have been correctly handed over and accepted.

5.2

The supplier is obliged to write our order reference number correctly and exactly on all delivery documents. Should this not be done, CAMTEC cannot take responsibility for any delay in payment or processing which may ensue.

6. Quality

6.1

The supplier guarantees that his goods and services have the level of quality and workmanship, the appearance and the characteristics set out in the contract. He also guarantees that his goods and services match the specifications, drawing, patterns and any other descriptions or instructions given by us.

6.2

The supplier should carry out the most modern quality control checks available for the type and volume of order.

6.3

If a prototype or sample is required, the supplier should first wait for express written permission before beginning mass production.

6.4

We expect our suppliers to use the newest technology available for the components they produce for us, and also to alert us to any possible improvements or technical changes to the product. However, any changes made to the product always need our written permission beforehand.

6.5

The supplier both promises and guarantees to fulfill all legal safety and environmental criteria required in Germany

7. Checking and responsibility for defects.

7.1

We are required to run a quality control check within an appropriate time limit. Any complaints are deemed to be within this time limit if they are reported within ten days of the goods' arrival, or, in the case of hidden defects, within ten days of the defects being noticed.

7.2

In the case of defects, we are covered to the full extent of the law. In each case, we are entitled to demand remedial action or the delivery of a new product from the supplier. We expressly reserve the right to claim compensation, including compensation in place of the original service or product.

8. Product liability - release - indemnity insurance.

8.1

If the supplier should in any way be responsible for damage or defects to a product, he is required, at first instance, to release us from the claims of any third party resulting from this damage. The damage comes under his responsibility and he is liable as an outside party.

8.2

In the scope of his damage liability, as set out in subsection 8.1, the supplier is required to refund any expenses, as detailed in §§683, 670 BGB and §§ 830, 840, 426 BGB of German law, resulting from or connected to any complaints or returns. We will inform him as soon as we are able of the extent and content of such a process and give him the opportunity to make a statement. This does not affect his statutory rights.

8.3

The supplier is obliged to take out product indemnity insurance to cover damages of 10 million euros per person, item or situation affected. Our entitlement to any further damages remains unaffected.

9. Property rights.

9.1

The supplier is to ensure that the rights of no third party involved with the contract within Europe or Germany are infringed.

9.2

Should a third party make a claim against us for infringement of property rights, the supplier is required to release us in writing from this claim at the first request. We are not entitled to make any agreement – particularly to reach a settlement - with the third party without the consent of the supplier.

9.3

The supplier's duty of release applies to all issues which may arise from or be related to the use of a third party.

9.4

The supplier's obligation to assume liabilities will not apply if the items in question have been produced from drawings, models, or any other type of description provided by us and therefore isn't aware, or, in reference to items developed by himself, isn't expected to know that property rights have been infringed.

9.5

The statute of limitation is ten years, beginning at the closing of the contract.

10. Reservation of title – Orders – Tools – Confidentiality

10.1

We acquire ownership of any components ordered from a supplier. Alterations and processing may be carried out for us by the supplier. Should items on which we own the property rights be put together with items which don't belong to us, we acquire joint property rights to the value of our pieces (wholesale price including VAT) in relation to the value of these other items at the time of processing.

10.2

Should an item supplied by us be inextricably combined with an item not belonging to us, we acquire joint property rights to the value of our pieces (wholesale price including VAT) in relation to the value of these other items at the time of combination. Should the items be combined together in such a way that another item is considered to be the main object, it is agreed that the supplier grants us proportional joint property rights, and keeps the sole or joint property rights in his custody for us.

10.3

We retain the ownership on tools: the supplier is obliged to only use these tools for goods ordered by ourselves. The supplier is to insure the tools belonging to us at replacement value against fire, water damage and theft. At the same time, the supplier is to relinquish all proceeds of this insurance policy to us. We accept this relinquishment herewith. The supplier is required to promptly carry out the necessary maintenance checks and inspections of the machines, as well as any necessary maintenance work at his own cost. He is to inform us immediately of any breakdowns. Should he fail to do this, our right to compensation shall remain unaffected.

10.4

The supplier is required to keep any drawings, designs, measurements, documents and information provided by us strictly confidential. Third parties may only gain access to these with our express permission. This confidentiality clause still applies once the contract is over. It only expires once and insofar as the information contained in these various documents has become common knowledge.

10.5

Should the ownership rights due to us as detailed in subsections 1 and/or 2 of this section exceed the purchase price of the owned goods which we ourselves have yet to pay by more than 10%, we are obliged on demand of our suppliers to hand over the rights of our choice to our supplier.

11. Place of jurisdiction -place of fulfillment - governing law

11.1

Should the supplier be a trader, the place of jurisdiction is where our business is located. We are, however, entitled to try the supplier in his business location.

11.2

Should it not be otherwise specified, our business location is the place of fulfillment.

11.3

Governing law is that of Germany, to the exclusion of CISG (United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980)