

General Terms of Purchase

of

manufacturing logistics & services GmbH & Co KG (ml&s)

Status April 2006

I. Prevailing Terms

These terms of purchase apply to all business transactions with our suppliers or other contractors (referred to hereafter jointly as the "Supplier"), even if they are not mentioned again in the event of subsequent contracts. They also apply if the Supplier refers to its own terms of business on accepting the order or in the order confirmation in particular, unless we have expressly agreed to such terms.

II. Orders

1. An order is only regarded as placed when it has been made by us in writing. Orders made verbally or via telephone are only binding for us if we have confirmed them by sending a subsequent written order. Drawings including tolerance levels stipulated by us in individual cases are binding. On accepting the order, the Supplier confirms that it has been informed of the type of implementation and extent of services by inspection of the existing plans. In the event of obvious errors, spelling and arithmetic mistakes in the documents, drawings and plans provided by us, these are not binding for us. The Supplier is obliged to inform us of such errors, so that our order may be corrected and renewed if necessary. This also applies to missing documents or drawings.
2. We are bound to our order for 14 days. Acceptance of orders shall be receipted to us by means of a written confirmation of our order within 5 working days.
3. Deviations in quantity and quality from the text and content of our order and subsequent alterations to the contract are only regarded as agreed if we have expressly confirmed them in writing.
4. The Supplier shall fulfil requests for alteration made by us after placing the order if and to the extent to which this is possible and reasonable from a technical and time point of view.

III. Delivery Dates/Contractual Penalty/Rescission and Compensation for Damages

1. The agreed delivery periods and dates are binding. They are valid from the date of order. The goods must have been received by the stated acceptance point within the delivery period or by the delivery date. In the event that delays are anticipated, the Supplier shall inform us without let or hindrance and obtain our decision on the upholding of the order.
2. Should the Supplier be more than 5 days in delay of performance, we have the right to demand a contractual penalty of 1 % of the net order value per week begun, calculated from the beginning of the delay, however a maximum of 5 % of the net order value of the delayed delivery, and/or to withdraw from the contract. The assertion of the contractual penalty may be reserved up to the settlement of

the invoice for the delayed delivery. In such a case, the contractual penalty shall be retained from the sum invoiced for the delayed delivery. The contractual penalty paid shall be charged up against any claim for damages.

3. We are not obliged to accept delivery prior to the expiry of the delivery date. Any excess costs arising from a premature delivery shall be borne by the Supplier. In the event of premature delivery, the payment period does not begin prior to the agreed delivery date in any case.
4. Should the Supplier be more than 7 days in delay with its delivery or parts of its delivery, we may, after the expiry of a further appropriate subsequent period usually consisting of a maximum of 14 days, fully or partly withdraw from the contract and, in the event of fault on the part of the Supplier, assert a claim for damages rather than performance. We are thereby free to charge for the specific damages or a flat-rate damages fee of 15% of the net order value of the unfulfilled performance. A forfeited contractual penalty shall be charged up against the claim for damages. The Supplier is free to provide evidence that no or lower damages have occurred.

IV. Delivery/Packaging

1. Delivery shall be made at the expense of the Supplier, free of charge, to the point of acceptance stated by us. Should we have to bear the freight costs in exceptional cases, the Supplier shall select the transport type prescribed by us, otherwise the transport and delivery type most economical for us.
2. On acceptance by our point of receipt, the risk is transferred to us. We only inspect the goods initially on delivery for obvious defects or damages. In all other cases, we are exempted from the obligation for inspection and notice of defects in accordance with § 377.2 of the German commercial code (HGB).
3. We reserve the right to subject the goods to a random sample acceptance inspection in individual cases. Should we find a non-observance of the agreed delivery quality thereby, we are entitled to refuse acceptance of the entire delivery. Should we nevertheless accept delivery, the defective contractual products found in the sample inspection shall be replaced by the Supplier with products in accordance with the contract.
4. Packaging is included in the price. Should any other regulation be agreed in exceptional cases, the packaging shall be invoiced at cost price. The Supplier shall select the packaging stipulated by us and assure that the goods are protected from damage by the packaging. In the event of return, at least two thirds of the invoiced value shall be credited to us.

V. Delivery Documentation

1. One copy of invoices, delivery notes and packing slips shall be included in all deliveries. These documents must contain:
 - Order number
 - Quantity and units
 - Gross, net and if necessary calculation weight
 - Item description with our item number
 - Remaining quantity in the event of part-deliveries.
2. In the event of freight deliveries, dispatch information shall be sent to us separately on the date of dispatch.

VI. Prices

1. If not expressly regulated otherwise, the agreed prices are fixed prices, provided the Supplier does not generally reduce the prices in question.
2. The Supplier shall not grant us less favourable prices and conditions than other customers, if and to the extent to which the latter offer the same or equivalent-value conditions to the Supplier in specific cases.

VII. Invoice/Payment

1. Invoices shall be made separately for each order. Payment takes place only after the full receipt of the goods free from defects, or full performance free from defects, and after receipt of the invoice. This applies correspondingly in the event of part-deliveries. Time delays arising due to incorrect or incomplete invoices do not affect any discount periods.
2. In the event of granting a cash discount, payment takes place:
 - Up to 14 days from the date of invoice minus 3% cash discount
 - Up to 90 days from the date of invoice net
3. The date on which we give the credit transfer instruction prevails for the observation of the payment period.
4. We only fall into arrears if we do not make payment on receipt of a written reminder from the Supplier.

VIII. Guarantee/Warranty/Notice of Defect

1. The Supplier accepts the obligation that the goods, including get-up and labelling, correspond with our statements in the order. Our order shall be carried out in an appropriate manner according to the respective technological possibilities.
2. The Supplier guarantees that the goods fulfil the respective statutory requirements.
3. In the event of delivery of defective goods, we shall grant the Supplier opportunity for improvement or replacement according to our choice. After one unsuccessful attempt, improvement is thereby regarded as failed.
4. Should the Supplier be unable to improve/replace the defective goods or fail to do so without let or hindrance after request and appointment of a time limit, we are entitled to return the goods at the Supplier's risk and to obtain replacement goods elsewhere. In urgent cases, we are entitled, after informing the Supplier, to make the improvements ourselves or have them made by a third party. The Supplier shall bear any costs arising hereby.
5. The warranty for the product manufactured by the Supplier or for the order carried out by the Supplier ends on the expiry of 36 months after delivery/acceptance.
6. Provided not otherwise stipulated above, the warranty conforms to the statutory regulations.

IX. RoHS Conformity

The Supplier guarantees that the delivered goods, as far as subject to the RoHS Directive, conform to the respective valid stipulations of the RoHS Directive or the corresponding regulation(s) of the German electrical and electronic appliance act (ElektroG). In justified individual cases, we may request evidence from the Supplier (e.g. by means of an inspection certificate from a recognised institute) that the goods delivered conform to RoHS.

X. Contractual Fulfilment through Third Parties/Transfer of Claims

1. The use of third parties as sub-contractors requires our prior written consent.

2. Should the Supplier wish to transfer claims against us to a third party, this requires our express written consent. Should the transaction be a commercial transaction for both parties, § 354 a HGB applies.

XI. Patent Rights

The Supplier is liable that no patents or other industrial property rights of third parties are violated through its delivery and its use by us. The Supplier exempts us and our customers from all claims arising from the use of such patent rights. This does not apply should the Supplier have manufactured the goods delivered on the basis of drawings, models or other equivalent descriptions or instructions provided by us, and is not aware or cannot be aware in connection with the goods manufactured that patent rights are thereby violated.

XII. Force Majeure

War, civil war, export limitations or trade restrictions due to an alteration of political circumstances, strikes, lock-outs, disruptions of operation, restrictions of operation and similar events making fulfilment of contract impossible or unreasonable for us are regarded as force majeure and exempt us for the length of their existence from the obligation for punctual acceptance. The contractual parties are obliged to inform themselves of such events and to adjust their obligations to the altered circumstances in good faith.

XIII. Trade Secrets

1. The Supplier is obliged to maintain secrecy concerning all commercial, legal and technical information made accessible in the course of the business relationship with us, which is referred to as confidential or recognisable as a trade secret, for an indefinite period, unless the information has become public without violating the obligation to maintain secrecy.
2. The Supplier shall take suitable measures with its employees, agents and other persons coming into contact with confidential information in the course of the cooperation, to assure that these individuals also observe the obligations to maintain secrecy arising from sub-section 1 above.

XIV. Quality Management/Environmental Protection

1. The Supplier shall observe our requirements regarding quality management and environmental protection. We assume thereby that the Supplier possesses a functioning quality management system, at least fulfilling the requirements of DIN ISO 9001. Should the system not be certified in accordance with DIN ISO 9001, we may request that the Supplier obtains such a certification within an appropriate period.
2. We reserve the right to examine the observation of the contractually agreed quality requirements as part of a quality audit of the Supplier.
3. The Supplier is obliged to take back packaging material on request.

XV. General Clauses

1. Should one of the above clauses be or become invalid, the validity of the remaining clauses remains unaffected. The invalid clause shall be replaced by a valid clause most closely corresponding to that intended by the parties.
2. German law applies under exclusion of the laws on the international purchase of moveable goods (CISG) for all legal relationships between the Supplier and us, even if the Supplier's company headquarters are not in Germany.

3. Place of fulfilment is our factory in Greifswald, if and to the extent to which no other agreements are made in individual cases.
4. Place of jurisdiction is Stralsund. This does not apply to the reminder process. We reserve the right to also institute legal proceedings against the Supplier in the place of its headquarters, according to our choice.

Greifswald, May 2006