

TERMS AND CONDITIONS OF ORDER AND PURCHASE

JANUARY 2007

1. DETERMINING CONDITIONS

The legal relationship between Honeywell Aerospace GmbH („GmbH“) and Seller shall be determined by the following conditions and any additional terms agreed in writing between the contracting parties, if any. Any other general business terms shall not be applicable, even if they were not rejected explicitly in any individual case.

2. ORDERS

2.1 Supply orders (order and acceptance of such order) and material releases as well as any changes and amendments thereof have to be made in writing. Material releases may also be issued by data transfer (telex, telefax, e-mail).

2.2 In case Seller does not accept the order within three weeks of its receipt, GmbH shall have the right to revoke such order. Any material releases shall become binding if Seller does not reject such material release within two weeks of its receipt.

2.3 If a party to the contract becomes insolvent or insolvency or other proceedings for the settlement of debts are opened or applied for with regard to its assets, then the other party is entitled to rescind that part of the contract that has not yet been fulfilled.

2.4 To the extent it is reasonably acceptable to the Seller, GmbH may demand changes to be made to the goods relating to both design and process. In this case the consequences, especially with respect to additional cost or decrease in cost, as well as delivery dates, are to be resolved in an appropriate manner.

3. PAYMENT

3.1 Unless otherwise agreed all prices are ex works Seller's facility. Payment has to be made within fourteen (14) days with a three (3) percent discount or thirty (30) days net after delivery.

3.2 Invoices (including 3 copies) have to be sent to GmbH immediately after the delivery. All sales, value-added tax or other levies shall be separately stated on the invoice.

3.3 Without previous written consent of GmbH, Seller is not entitled to assign his receivables to third parties or to have such receivables collected by third parties.

3.4 Any Seller with registered offices in the European Union has to indicate his VAT Identification Number on all invoices. Invoices without this number cannot be released for payment.

4. DELIVERY

4.1 Unless stated otherwise delivery will be f.o.b. Seller's facility. The goods shall be packed and shipped by Seller in accordance with GmbH's instructions and good commercial practice and so as to ensure that no damage shall result from weather and transportation. The cost thereof shall be included in the price of the goods.

4.2 Agreed delivery dates and time limits are binding. Compliance with such dates or time limits shall be determined by the day of arrival at GmbH of the goods to be supplied.

5. DEFAULT WITH DELIVERY

5.1 The Seller shall be committed to compensate GmbH for all damages caused by delay.

5.2 If Seller foresees that the agreed delivery date cannot be met, he immediately has to inform GmbH, reporting reason for delay and estimated time period of delay.

6. INSPECTION

All goods, and all raw materials and work in process, components, and intermediate assemblies to be used in the goods and Seller's plant and premises may be inspected and tested by GmbH or its customer to the extent practicable at all reasonable times and places, including the period of performance and manufacture. If any inspection or test is made on the premises of Seller or a subcontractor, there shall be provided all reasonable facilities and assistance for the safety and convenience of the inspectors without additional charges to GmbH or its customers. GmbH reserves the right to charge Seller for any additional cost of inspection or test in the event the goods or supplies are not ready or available for an inspection or test as represented by Seller or its subcontractor or in the event such inspection or test is necessitated by repeated prior rejections. Seller shall provide and maintain an inspection system acceptable to GmbH with respect to the goods and supplies. Records of all inspection work of Seller shall be kept complete and available to GmbH or its customers during the performance of this order and the warranty period specified herein and for a period of three years thereafter.

Goods purchased hereunder are subject to final inspection and acceptance at GmbH's plant, notwithstanding any other inspection, unless otherwise specifically stated on this order. Seller shall provide all necessary certifications. Without limiting other rights, GmbH may have under this agreement or by law, resulting from Seller's delivery of defective goods, such defective goods may be rejected by GmbH and the unit price thereof debited against the invoice covering the shipment in which such products were included. Goods rejected will be held at Seller's risk and subject to Seller's disposal for a reasonable time and, if not disposed of by Seller, will be sold or otherwise disposed of by GmbH for Seller's account. GmbH's payment of Seller's invoice for any goods prior to final inspection shall not be deemed an acceptance of the goods or a waiver of the right of inspection or any other right of GmbH, or relieve Seller of any obligations or liability hereunder.

7. GMBH'S RIGHTS IN CASE OF DEFECT

7.1 If GmbH is entitled to warranty claims if a defect of the delivered goods becomes apparent within a term of three (3) years from delivery. In the event of damages to life, body or health, the term shall run for four (4) years.

7.2 If GmbH is rightfully subjected to a recourse claim by its customer because of defective goods, Seller cannot invoke the statute of limitations vis-a-vis GmbH for up to five (5) years from delivery of the goods.

7.3 IF SELLER DOES NOT FULFILL ITS WARRANTY OBLIGATIONS WITHIN A REASONABLE TIME PERIOD, GMBH WILL BE ENTITLED TO PERFORM ALL NECESSARY WARRANTY WORK AT COST AND RISK OF SELLER.

7.4 Seller warrants that the prices charged to GmbH, as indicated on this order, are no higher than prices charged on orders placed by others for similar quantities on similar conditions during the sixty (60) day period prior to the execution hereof. In the event Seller breaches this warranty, the prices of the goods shall be reduced accordingly.

8. PATENT INFRINGEMENT

Seller shall indemnify and hold GmbH, its successors and assigns, and its customers and users, to the extent such customers and users are indemnified by GmbH, harmless from any claimed infringement of any patent, trademark or copyright with respect to the goods, except those manufactured to GmbH's detailed designs which are rendered infringing by GmbH's requirements for design or manufacture differing from Seller's normal practice, and Seller shall defend same at its expense; provided that GmbH promptly notifies Seller of such infringement.

9. GMBH PROPERTY

Seller shall not use, reproduce or appropriate for or disclose to anyone other than GmbH any material, tooling, dies, drawings, designs, and other property or data furnished by GmbH nor shall Seller use the same to produce or manufacture articles other than those required hereunder. Seller shall bear the risk of loss or damage to such property furnished by GmbH unless such loss or damage is caused by GmbH's negligence. All such GmbH-furnished property, together with spoiled and surplus materials, shall be returned to GmbH at termination or completion of this order unless GmbH shall otherwise direct in writing.

10. RECISSION

10.1 Regarding the right of revocation due to breach of duty, the statutory provisions shall apply.

10.2 Notwithstanding Section 10.1 above, GmbH may rescind the order in whole or in part, at any time at its convenience, by notice to Seller in writing. On receipt by Seller of such notice, Seller shall, to the extent specified therein, stop work and the placement of subcontracts hereunder, terminate work under subcontracts outstanding hereunder, and take any necessary action to protect property in Seller's possession in which GmbH has or may acquire an interest. In such event, GmbH shall pay to Seller without duplication the (1) amounts due for goods delivered and accepted or services completed in accordance herewith prior to the effective date of cancellation; plus (2) actual costs incurred by Seller if properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this order, including liabilities to subcontractors which are so allocable, and excluding any charges for interest or material or parts which may be delivered to other orders; plus (3) a reasonable profit on work actually done by Seller prior to such cancellation; plus (4) the reasonable costs of settlement; provided that the total settlement shall not exceed the order price, and provided further, that if it appears that the Seller would have sustained a loss on the entire order had it been completed, no profit shall be included or allowed and an appropriate adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss. Such cancellation claim shall be submitted to GmbH within sixty (60) days after the effective date of cancellation.

10.3 Seller shall continue performance of this order to extent not terminated. Any provisions for delivery or acceptance of the goods in installments shall not make severable the obligations of Seller out of total contract.

11. SUSPENSION OF WORK

Seller shall stop work for a period of up to ninety (90) days in accordance with the terms of a written notice received from GmbH and shall take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within said ninety (90) day period, GmbH shall either terminate or continue the work by written order to Seller. In the event of a continuation, equitable adjustment shall be made to the price, delivery schedule, or other provision affected by the work stoppage, provided that the claim for equitable adjustment is made within thirty (30) days after said continuation.

12. INDEMNITY AND INSURANCE

12.1 Seller shall indemnify and hold GmbH and its employees harmless from any property damage, personal injuries, or death arising out of Seller's (or its subcontractor's) work or performance hereunder.

12.2 The Seller shall procure and maintain insurance against such risks.

13. NON-ASSIGNMENT

Seller shall not assign this order or any interest herein without GmbH's prior written consent.

14. SUBCONTRACTING

If any goods are to be made to GmbH's design, and Seller must subcontract this order, Seller must inform GmbH before subcontracting.

15. ADVERTISING

Seller shall not advertise or publish the fact that GmbH has placed this order without GmbH's prior written consent.

16. NON-WAIVER

No waiver of any provision or failure to perform any provision of this order shall be effective unless consented to by GmbH in writing nor shall any such waiver constitute a waiver of any other provision or failure to perform.

17. MISCELLANEOUS

17.1 These provisions represent the whole agreement between the parties. Oral collateral covenants do not exist. For supplements and amendments of this agreement writing is obligatory. A waiver of writing must also be in writing. Previous agreements on the same subject are hereby canceled.

17.2 In the event of any term of the agreement being deemed or held ineffective, the other terms of the agreement shall remain in full force and effect. The ineffective provision is replaced by an effective one most nearly approaching the purpose of the ineffective provision.

17.3 For any notice given pursuant to this contract writing is obligatory.

17.4 The contract is governed by German law. The application of CISG shall be excluded.

17.5 The place of jurisdiction is Darmstadt. Irrespective thereof GmbH shall have the right to take legal action at any place in compliance with the ZPO.

17.6 The German version of these General Terms and Conditions shall be the authoritative version. The English version is given for information purposes only.

18. l.b.a.

19. CONTRACT CLAUSES FOR PROVISION OF MACHINES, MACHINE PARTS AND OTHER TECHNICAL EQUIPMENT AND SPECIAL SUPERVISION REQUIRING MACHINERY

The following requirements have to be taken into account with regard to the fulfillment of the provisioning contract and will become part of the provisioning contract when applicable.

Failure to fulfill these obligations of the contract by the consignee / provider leads automatically to the cancellation of the contract and contract is not fulfilled by consignee / provider.

This reserves Honeywell Aerospace GmbH the right for a potential claim for indemnity.

19.1 For machinery and all technical equipment the following requirements have to be met:

- German Machine Safety Code (Geräte- und Produktsicherheitsgesetz (GPSG)) in the latest version at contract conclusion
- Supplemental Ordinances to the German Machine Safety Code (Rechtsverordnungen zum Geräte- und Produktsicherheitsgesetz)
- German Health and Safety at Work Regulations (Betriebssicherheitsverordnung (BetrSichVO))
- Guidelines for pressure equipment of the industrial liability of the chemical industry, technical bulletin T024 (Leitfaden Druckgeräte der BG-Chemie, Merkblatt T 024)
- Electromagnetic Compatibility Act (Gesetz über elektromagnetische Verträglichkeit von Geräten)

19.2 If directives on harmonization of European requirements have to be considered the following have to be met:

- Directive 2006/42/EC of the European Parliament and of the Council of 17 May 2006 on machinery, and amending Directive 95/16/EC (recast)
- Directive 97/23/EC of the European Parliament and of the Council of 29 May 1997 on the approximation of the laws of the Member States concerning pressure equipment
- Directive 94/9/EC of the European Parliament and of the Council of 23 March 1994 on the approximation of the laws of the Member States concerning equipment and protective systems intended for use in potentially explosive atmospheres
- Other applicable directives of the European Community
- All other and applicable harmonized European standards (specific standards might be listed in the order / contract. If no applicable and harmonized European standards are available the consignee / provider is obliged to fulfill applicable German standards and technical specifications as listed in the German Machine Safety Code ((Geräte- und Produktsicherheitsgesetz (GPSG)). In case of deviations the consignee / provider is obliged to demonstrate and document that the same level of safety will be achieved by other means.

This obligation includes, that

- a machine / technical equipment yet ready for use is CE labeled
- for a CE labeled machine / technical equipment a CE declaration in German is enclosed,
- for a complete machine / technical equipment a manufacturer's declaration acc. Annex II of the EC machine directive is enclosed (to a large extent compliance with relevant directives for EC domestic market is mandatory)
- for a safety device covered by EC machine directive a conformity declaration acc. Annex II C is enclosed
- for a technical equipment which has to pass a EC type examination test the certificate of an authorized testing and certifying body can be provided
- an instruction for use and operating instruction and manual respectively is provided in German language, for a machine an o- perating instruction acc. Annex I, para 1.7.4 EC machine directive has to be enclosed, including typical noise and vibration parameters
- for a machine the technical documentation acc. Annex V EC machine directive is enclosed (this applies although for a partially delivered machine).

19.3 Technical equipment not covered by harmonizing European directives or ordinances

For technical equipment on which no European directives or ordinances are applicable the German occupational health and safety and accident prevention regulations have to be applied as well as internationally accepted occupational health and safety standards. In case of any deviation a certificate has to be enclosed that the same level of safety will be achieved.

19.4 Parts of a technical equipment

Parts not covered under the German Machine Safety Code have to comply with requirements of 19.3

19.5 Noisy technical equipment

Noisy equipment has to comply with the German accident prevention regulation Noise (Lärm) BGV B3 and BGR B3 DA which consider the state of the art and established noise reduction techniques. Workplace noise exposure and measurement area related noise level has to be below the limit of 75 dB (A) in 1 m distance if no lower limit has been explicitly contracted.

19.6 Technical equipment with approved safety sign (GS-Zeichen)

For the technical equipment a certificate of an authorized testing and certifying body on the type examination test as well as manufacturer's test have to be enclosed.