

[This is an English translation for information purposes only. For all legal purposes reference should be made to the German original.]

GENERAL TERMS AND CONDITIONS OF PURCHASE for Rheinmetall Chempro GmbH

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1. General Conditions

1.1 Deliveries and services of any kind applied by Rheinmetall Chempro GmbH [hereinafter referred to as "CONTRACTOR"], incl. possible special conditions notified to the SUPPLIER, shall be governed exclusively by the following "General Terms and Conditions of Purchase for Rheinmetall Chempro GmbH". Any other general terms and conditions of the CONTRACTED (hereinafter referred to as "SUPPLIER") shall not be accepted unless the CONTRACTOR has expressly accepted it in written form. Any deviating or conflicting conditions of the SUPPLIER, that have not been expressly approved in written form by the CONTRACTOR, will not be valid, even if they have not been individually and explicitly rejected by the CONTRACTOR, or even if the goods have been accepted and paid without any reservation.

1.2 All agreements that are valid between CONTRACTOR and SUPPLIER and have been stated for the purpose of executing this contract (purchase orders and confirmations) shall require the written form.

1.3 These general conditions of purchase shall also apply to future orders and contract agreements, even if it might not be explicitly referred to.

2. Offer, Order and Confirmation of order

2.1 The SUPPLIER warrants quantity and quality of the offer, that reflects exactly the request of the CONTRACTOR, and points out changes and deviations from it explicitly [and in written form].

2.2 The order is free of charge and binding for the SUPPLIER.

2.3 Orders are effectual, if they are issued by the CONTRACTOR in written form. Any verbal or telephonical agreements on each order, or changes regarding the order are only valid if they are confirmed by the CONTRACTOR in written form.

2.4 The SUPPLIER is obliged to immediately confirm the order by the CONTRACTOR in written form - not later than three (3) days after the date of issue. In case, the written confirmation of the order will not be sent within this period, the CONTRACTOR reserves the right to terminate and reassign the order without any obligations.

2.5 In addition to the order confirmation, also the order execution, especially the delivery or partial delivery or the receipt of payments shall be deemed to be an agreement without reservations to these conditions of purchase.

2.6 The SUPPLIER is allowed to suborder orders of the CONTRACTORS to a third party for the complete or basic volume of production, only with prior written permission by the CONTRACTOR.

3. Prices, Payment, Terms of Payment and Assignment of Receivables

3.1 Prices are fixed-prices and shall be delivered free to the appointed receiving office, including recyclable package and all additional costs. Unless explicitly agreed charges for packaging are not reimbursed separately. Prices are quoted as net prices, i.e. without value added tax. Value added tax shall be stated separately on the bill at the applicable rate on the date of invoice writing.

3.2 Invoices must not comprise more than one single order. Invoices shall be submitted in duplicate, stating the complete purchase order number and project position numbers of the CONTRACTOR. Additionally, it should contain following details stating the information about the order of the CONTRACTOR: purchase order date, supplementary purchaser's dates (account number, intern account number, etc.), number and date of the delivery receipts, quantity and exact name of the supplied goods or services. This equally applies to delivery receipts and dispatch notes. The billing address of the CONTRACTOR is solely:

Rheinmetall Chempro GmbH
Pützchens Chaussee 58a
53227 Bonn, [Germany]

3.3 Payments by the CONTRACTOR will be made via bank transfer. The term of payment shall take effect from the date of the invoice receipt or, if goods are delivered after the bill is received, from the date of the product receipt. If deliveries are made prior to the schedule, the original delivery date shall mark the beginning of the payment period.

3.4 The payment is deemed to be effected as soon as our financial institute receives our remittance order. Payments made by the CONTRACTOR shall not constitute acceptance of the order as being conventional or properly calculated. Warranty rights are reserved and remain unaffected.

3.5 Assignment or transfer of the SUPPLIERS's rights and obligations beyond the application area of §354a HGB (German Commercial Code) shall not be permitted. Exceptions require the written authorization of the CONTRACTOR, that shall not be unreasonably refused. Within the legal boundaries, the CONTRACTOR is entitled to set-off rights and rights of retention.

4. Delivery, Provision of Services, Delivery Receipt, Delivery Performance Receipt, Delay in Delivery

4.1 Each delivery has to have included a delivery note. Each provision of service shall be accompanied with a delivery note resp. included record of performance. One delivery note shall not include more than one single order. It has to have included the purchase order number and position numbers of the CONTRACTORS and shall be issued conform to DIN 4991. Additionally, following information shall be contained:

designation of the component, article number and/or identification number (incl. index and revision level), quantity delivered, supplied dimensions, lot/batch/serial/slab number(s) from where the delivery has been issued, mode of shipment, shipment conditions, specifications about hazardous goods (if relevant). The delivery note has to stick to the outside part of the package and be protected. Another copy of it should be contained in the package. The delivery address of the CONTRACTOR is, as long as no other remarks have been made:

Rheinmetall Chempro GmbH
Pützchens Chaussee 58a
53227 Bonn, [Germany]

4.2 The SUPPLIER shall cover the payment for any charges incurred for delayed deliveries, required express goods, air freight, express deliveries or telegrams. This equally applies to any additional charges incurred because the delivery was sent to a different address than the required address for delivery.

4.3 Deliveries shall be made in accordance with agreed delivery dates and periods stipulated in the order. They shall be binding and be calculated upon their arrival at the receiving office. The delivery period shall take effect – if no other precise date is agreed – on the issue date of the order. For the observance of the delivery period the delivery must be completed and arrived at the receiving station or the place agreed. Time spent on consignment and loading shall be taken into account. A proper receipt of goods implies, if necessary, the forwarding of material certificates, inspection sheets, quality control documents and other technical documents.

4.4 The delivery quantity shall be closely observed. Delivery quantities that exceed or do not reach the agreed quantity need acceptance of the CONTRACTOR in prior to the delivery.

4.5 The risks and expenses for delivery and dispatch shall be borne by the SUPPLIER. Any risk shall be borne by the CONTRACTOR only upon receipt and acceptance at the agreed place of fulfillment. The supplier is responsible for effecting a sufficient transport and transit insurance at his own expenses. An insurance for the risk of conveyance at the expense of the CONTRACTOR can be effective only, if our prior written authorization has been obtained.

4.6 The SUPPLIER is obliged to notify immediately the CONTRACTOR in written form, if any event may occur or is predictable, that may result in the fact that the agreed delivery date can not be achieved.

4.7 If the agreed delivery date can not be guaranteed, the permission of the CONTRACTOR for a changed date must be immediately obtained.

4.8 If the delivery date cannot be observed because of Force Majeure, the CONTRACTOR may demand the execution of the order to a later date without incurring liability with respect to the SUPPLIER. After a reasonable period of time has passed without any result, the CONTRACTOR is entitled to withdraw or partially withdraw from the contract.

4.9 The CONTRACTOR shall appear as waiver customer for all through him and in his name ordered transport and freight orders, as long as he bears the responsibility for the shipment.

5 Drawings, Technical Documentation, Tooling and Confidentiality

5.1 All technical drawings, CAD and norm files, artwork, gauges, designs and models, moulds, samples, profiles, tools, prototypes and other technical documents provided by the CONTRACTOR to the SUPPLIER for the processing of an order shall remain as exclusive property of the CONTRACTOR, incl. all copy rights applicable. They shall be treated strictly confidential and may not be disclosed without the explicit written authorization of the CONTRACTOR. Furthermore, they must not be used for any other purpose than the fulfillment of the order and for manufacturing. After the order is completed, they shall be returned without request and free of charge. They need to be preserved and stored thoroughly on costs of the SUPPLIER to prevent any loss or damage. In addition they need to be insured against loss and damage. Repairs or changes need the written confirmation by the CONTRACTOR in prior. The SUPPLIER shall be liable for loss and misuse.

5.2 The CONTRACTOR has all copyrights reserved on to drawings and technical documents designed according to his requirements. The ownership of tools and other production devices that have been paid by the CONTRACTOR shall pass over with payment on the CONTRACTOR.

6 Allocation of Customer Owned Material, Own Material Goods, Storage, Residual Material and Confidentiality

6.1 Customer owned or provided materials or components parts, as well as any other items handed over to the SUPPLIER for preparation or processing of the order, incl. the implicit know-how provided with it by the CONTRACTOR, shall remain as property of the CONTRACTOR, incl. all copyrights applicable. They shall be treated strictly confidential and may neither be disclosed nor handed over to a third party nor used for other purpose than the one contractually agreed without the explicit written authorization of the CONTRACTOR. After the order is completed, they shall be returned without request and free of charge. They need to be preserved and stored thoroughly on costs of the SUPPLIER. In addition, they need to be insured against loss and damage. Repairs or changes need a written confirmation of the CONTRACTOR in prior.

6.2 In case the SUPPLIER receives any customer owned goods necessary for the fulfillment of the contract, he is obliged to store these goods appropriately and separately and mark those as Rheinmetall Chempro [GmbH] owned material. The SUPPLIER is fully responsible for their insurance and liability in case of damages, loss, theft, damages due to environmental influences, etc. They need to be covered or stored accordingly in areas designated for it, so that they cannot be seen or damaged by third parties.

6.3 The SUPPLIER shall be liable for the damage and loss of the provided customer owned items. In case of a legal or actual impairment of such items, the CONTRACTOR shall be informed in written form immediately.

6.4 The SUPPLIER shall be liable for any damages on the customer owned production material independently of his own fault.

6.5 After finishing or termination of the project/order, all residual materials should be made available for shipment back to the CONTRACTOR.

7 Special Identification and Retraceability

7.1 The CONTRACTOR can request from the SUPPLIER to use a special identification. In this case, each batch/slab and each part/component should be labeled by the SUPPLIER according to the specifications for labeling of the CONTRACTOR. The identification should enable traceability of materials and components, and help avoid confusion and unnecessary search and identification activities.

7.2 In case of a requested Special Labeling Agreement, following identification/information shall be provided by the SUPPLIER:

- manufacturer
- material (type)
- lot/serial/slab/batch number
- delivery note & manufacturer's certificate

8 Additional Requirements for Special Materials or Special Processes

8.1 Each order regarding the machining processing, the SUPPLIER receives special manufacturing documentation (manufacturing documents, process instructions, cutting files, drawings, technical data sheets, general test instructions for painting, etc.). Except thereof are turning and milling parts. The production shall start only if a valid instruction to order exists.

8.2 Manufacturing documents (manufacturing documents, process instructions, cutting files, drawings, general test instructions for painting, etc.) will be made available to the SUPPLIER exclusively through the purchase department of the CONTRACTOR and must be followed by the SUPPLIER accordingly. Implausibilities or omissions after the transfer shall be reported immediately by the SUPPLIER.

8.3 Welding: The welding work has to be performed according to the special quality requirements of the CONTRACTOR for welding operations (Form 7473 QAF). The SUPPLIER is responsible that this special requirements are available.

8.4 Leveling of armored steel components by the machining plant: Once the armored steel components are cut, blasted or bent, the SUPPLIER has to verify to which extent the internal stress has deformed the component. In these cases, the components shall be delivered after they have been leveled by the SUPPLIER.

8.5 Steel plates and steel components shall be provided de-magnetized: The SUPPLIER is obliged to deliver steel plates or steel components exclusively in a de-magnetized state to the CONTRACTOR.

8.6. Material with limited shelf life: The SUPPLIER commits himself that parts with limited shelf life (paint, lacquer, primer, hardener, glue, foils, etc.) has a least a remaining shelf life of 12 month. In case the remaining shelf life is less than 12 month the SUPPLIER commits himself that the expiration date has to be stated explicitly on the delivery note.

9 First Article Inspection, Quality Assurance, Quality Control

9.1 If required and instructed in the order made, certifications esp. initial sample inspections by the quality department of the CONTRACTOR will take place. They must be effectuated in good time before the delivery date. The SUPPLIER agrees with the QA department tests or sample inspection at least one week prior to delivery date.

9.2 If during external processing any irregularity in the identification, assignment and/or quality should occur, the SUPPLIER is obliged to inform the CONTRACTOR immediately. This applies to customer owned material or procured materials, as well as for errors in subsequent operations. The production should be stopped immediately by the SUPPLIER in agreement with the CONTRACTOR. The continuation of production requires the release by the CONTRACTOR.

9.3 If necessary, the service provided has to be subject to a quality check by a quality inspector of the Bundeswehr [Federal Germany Army] in the plant of the SUPPLIER. In this case, the order will contain an explicit reference to it. The delivery by the SUPPLIER shall be provided only after the successful release of the quality inspection. Timing and processing should be agreed between the CONTRACTOR and the SUPPLIER.

10 Packaging

10.1 Unless otherwise agreed, the package shall not be compensated. If the price do not include package costs, the package can be sent back without being prepaid if desired. In case the package is sent back, it shall be credited to the amount of its value.

10.2 All goods must be adequately protected by the chosen packaging against damage in transit. Furthermore, an easy handling shall be guaranteed. The package shall be up to standard of the latest cognitions of the environmental protection, i.e. only reusable, recyclable. Also the package should cover the product in such a way that it can not be seen by third parties.

10.3. The packaging is an operational need and has to be chosen adequately for each shipment type (i.e. by truck, air or sea freight).

11 Approval and Complaint

11.1 The way of the incoming inspection is carried out depends on CONTRACTOR'S own judgment, e.g. a sampling procedure for mass production components. With reservations to all other rights we shall either completely reject the goods or carry out a thorough 100% inspection at the SUPPLIER'S risk and expense for all goods that exceed the accepted critical quality value or the agreed quality level value (AQL).

11.2 Approval requires the explicit written declaration by the CONTRACTOR. The acceptance of a delayed delivery does not constitute waiver on further rights and claims. Unless otherwise agreed, the provisions for defects as to quality and title shall apply. A complaint is duly lodged, if it is effected two weeks after delivery or two weeks after discovery of hidden defects. In case of a complaint, we are entitled to retain payments in reasonable proportion to the defect.

11.3 The CONTRACTOR has the exclusive right to choose the way of subsequent performance to the Breach of Contract. The SUPPLIER is entitled to refuse this demand from the CONTRACTOR according to §§ 439 para. 3, 635 para. 3 BGB (German Civil Code).

11.4 In urgent cases, especially in defense of imminent danger or avoidance of more serious damage or in the instance that the supplier fails to exercise his duties, the CONTRACTOR is entitled to remove defects at the expense of the SUPPLIER or to purchase goods free of defect elsewhere.

11.5 The limitation period for claims on goods with defects is 24 months, calculated from the date of transfer of risk. This equally applies to repaired or new delivered parts. If the SUPPLIER has our acceptance to inspect the scope of a defect or if he removes the defect, the limitation period for claims shall be interrupted with the receipt of the complaint notification by the SUPPLIER until the supplier either informs us about the inspection result or declares the defect as removed, or refuses to continue the removal of the defect.

11.6 If, in consequence of a deficient delivery of the subject of contract, the CONTRACTOR will have to face expenses, especially transport, route, labour and material costs or costs for an incoming inspection that exceed the usual scale of a receiving inspection, the SUPPLIER has to bear these expenses. Furthermore the CONTRACTOR is entitled to claim damages of non-fulfillment due to the absence of warranted characteristics.

11.7 The CONTRACTOR reserves itself the right to assert claims due to material defects emerged during processing even after the warranty period. Moreover, The CONTRACTOR is entitled, within the legal boundaries, to assert an indemnification due to non-fulfillment, as well as to consequential damage. The CONTRACTOR shall claim compensation for all disadvantages due to deliveries that differ from the order or due to non-compliance with these terms and conditions of purchase or to improper packaging. Deliveries that do not meet the agreed quality specification shall be sent back at the SUPPLIER'S expenses. Consequential damages, within the legal boundaries, shall be billed separately to the SUPPLIER.

12 Environment

The SUPPLIER has the obligation to always deliver his/her services according to relevant environmental provisions and standards, as well as the state-of-the-art technology. The SUPPLIER pays attention (where applicable and economically reasonable) to the Closed Substance Cycle Waste Management Act (German Environmental Law), in order to guarantee an environmentally sound service and delivery. This includes the choice of environmentally friendly and recyclable materials, low-emission, ecologically compatible constructions that are easy to disassemble and to dismantle, as well as energy saving and resource-saving solutions.

13 Rights of Third Party, Trademark Rights

13.1 The SUPPLIER is liable for the usage or resale of the ordered goods / services without violating the rights of a third party, including industrial trademarks and copyrights.

13.2 In case rights of a third party are violated, the SUPPLIER shall upon first request exempt the CONTRACTOR from any claims that a third party could assert due to legal provisions. Claims that arise from foreign compulsory provisions shall apply only if the SUPPLIER is aware of the fact that his deliveries are resold by the CONTRACTOR and if he is informed to which country they are resold or in which country his services are used.

13.3 A prescription period of 10 years shall apply to defects of title.

14 Product Liability, Contractual Penalty

14.1 The CONTRACTOR recognizes only the simple reservation of title with regards to the SUPPLIER.

14.2 The SUPPLIER shall indemnify the CONTRACTOR from any compensation claims that are reaching the CONTRACTOR regarding any product defects which are lying under the SUPPLIER'S responsibility. The SUPPLIER has to prove and provide the existence of a product liability insurance with a minimum coverage of two million EUR, if the CONTRACTOR request to demonstrate it. In case the proof is omitted, or the SUPPLIER refuses to carry out an appropriate increase of the sum insured, the CONTRACTOR is entitled to withdraw from the contract and to request a compensation of damages.

14.3 Except in cases of force majeure, the SUPPLIER agrees to pay a contractual penalty, in case of late delivery regardless of fault. This amount sums up to 1.5% of the price of the goods delivered late per commenced week, up to a maximum of 5% of the total price of the ordered goods. The above-mentioned further legal claims remain unaffected by this. The contractual

penalty may be requested until the final payments are calculated, if the order has been accepted.

15. Liability, Indemnity and Insurance Coverage

15.1 The SUPPLIER shall indemnify the CONTRACTOR from any compensations that the end customer may claim for any deficiencies in service or delivery, that can be attributed to the SUPPLIER's delivered good different or non-conform to the contract conditions.

15.2 The CONTRACTOR is entitled to demand compensation from the SUPPLIER for the expenses he/she had to bear from its customers for claimed compensations due to the supplementary performance of contract, especially costs including transportation, route, labour and material.

15.3 In the case of 9.1 and 9.2 the limitation period for claims shall take effect two months after the date on which the CONTRACTOR met the customer's title at the earliest, and five years after the delivery by the SUPPLIER at the latest.

15.4 In the case a third party claims indemnification according to mandatory law, the SUPPLIER shall release the CONTRACTOR upon first request, as long as he is also immediately liable.

15.5 The SUPPLIER is obliged to sign a product liability insurance with an adequate limit of coverage (for at least 2 million Euro per personal injury / property damage) and to provide the evidence of the existence of the insurance policies upon request. Additional remaining indemnification claims from the CONTRACTOR shall remain unaffected.

15.6 If the CONTRACTOR or the end customer carries out measures for hazard control (e.g. a recall campaign), the SUPPLIER is liable for their execution, if this is stipulated by legal provisions and shall release the CONTRACTOR upon first request. The SUPPLIER shall, furthermore, provide the CONTRACTOR upon request with documentary evidence of the existence of an insurance covering recall costs with an adequate coverage.

16 Reexport – Regulations of third countries (esp. USA)/ US-Origin Components

For each order, the SUPPLIER agrees to fill out the "export compliance form", if re-export regulations of third countries (particularly the U.S.) are concerned. The SUPPLIER agrees to additionally provide appropriate re-export permits available if re-export regulations of third countries (particularly the U.S.) are affected. To this end, he has to indicate the end customer upon request. For the adherence in compliance with the re-export regulations with other countries, the SUPPLIER is entirely responsible. The CONTRACTOR shall make available the necessary export compliance form on its website, or sent it upon telephone request.

17 Publications and Advertising

Evaluation or disclosure of the existing business relationship with the CONTRACTOR, in publications or for promotional purposes is mainly not permitted, or may require the prior written authorization of the CONTRACTOR.

18 Void in Part, Place of Delivery, Jurisdiction and Applicable Law

18.1 If a provision of this General Terms and Conditions of Purchase is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability in that jurisdiction of any other provision of this agreement or the validity or enforceability in other jurisdictions of that or any other provision of this agreement. The invalid provision shall be deemed to have been replaced by a regulation which in legal and economic terms comes as close as possible to the invalid provision.

18.2 Place of delivery is the location given [under 4.1.] by the CONTRACTOR. As long as the SUPPLIER is a merchant who has been entered as such in the commercial register, the court of jurisdiction shall be the court of law for our domicile. Furthermore, the CONTRACTOR is entitled to institute legal proceedings if necessary at the location of the SUPPLIER. The law of the German Federal Republic (as it applies to residents), under exception of the law of conflict, shall apply exclusively. The UN Convention on Contracts for the International Sale of Goods (CISG) shall not be applied.

18.3 The relevant version of the INCOTERMS shall be applicable for the interpretation of the delivery clause.