
GENERAL TERMS AND CONDITIONS OF SALE, DELIVERY AND PAYMENT

of the private company with limited liability **HENDI B.V.**, having its registered office at 3911 TX Rhenen, at the address Steenoven 21, and the private company with limited liability **HENDI ENGINEERING B.V.**, having its registered office at 3911 TX Rhenen, Steenoven 21, filed with the Chamber of Commerce and Industry in Utrecht on 2 February 2007 under number 50053484.

Article 1 - Definitions

- 1.1) In these General Terms and Conditions, "Hendi" must be understood to refer to: the private company with limited liability Hendi B.V. and the private company with limited liability Hendi Engineering B.V., both having their registered offices and principal places of business in Rhenen.
- 1.2) In these General Terms and Conditions, "Buyer" must be understood to refer to: the party on the instruction and at the expense of which terms are supplied and/or services are provided, or with which a purchase agreement to that end has been entered into, or on the instruction of which work is carried out.

Article 2 - Applicability

- 2.1) All tenders submitted by Hendi are free of obligation and take place subject to these General Terms and Conditions being declared to apply to both the tender and its acceptance, and to the agreement of whatever nature so concluded.
- 2.2) Derogating conditions will only form part of the agreement insofar as those conditions or stipulations have been expressly accepted by Hendi in writing. Any derogating conditions that Hendi has accepted will only apply to the offer or agreement with respect to which they were drawn up.
- 2.3) In agreements between Hendi and the Buyer, terms and conditions of the latter party will only have an effect insofar as those terms and conditions do not conflict with these General Terms and Conditions. In the event of doubt about the question whether there is such a conflict, the General Terms and Conditions of Hendi will prevail.

Article 3 - Tenders

- 3.1) All tenders will be fulfilled for a period of four weeks, unless the offer specifically states otherwise. Hendi's offer is free of obligation and must only be regarded as an invitation to make an offer to enter into an agreement.
- 3.2) Unless agreed otherwise, the tenders only apply to the country in which they have been requested.
- 3.3) Unless the contrary is shown, the price stated by Hendi does not include the Turnover Tax owed.
- 3.4) The Buyer can only accept or reject a tender submitted by Hendi in full. In the event of a compound quotation, Hendi will not be required to supply part of the relevant services or goods against a corresponding proportion of the price quoted for the whole.

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Article 4 - Industrial and intellectual property rights

- 4.1) Unless agreed otherwise, Hendi will retain the copyrights, as well as the other industrial property rights to the designs, sketches, images, drawings, models, programs and tenders it submits.
- 4.2) The items referred to in paragraph 1 of this article will continue to be the property of Hendi and may not be copied, shown to third parties or used in another way (irrespective of whether the Buyer has been charged costs in respect thereof) without its express permission, unless the use of the items referred to in paragraph 1 is related to the commercial purposes Hendi is familiar with, for which Hendi has made goods available.

Article 5 - Designs and advice

- 5.1) Hendi accepts liability for the designs it creates relating to products to be supplied, unless the Buyer modifies them and/or adds different parts itself.
- 5.2) In making the offer, Hendi assumes no liability for a design that has been worked out by or on behalf of the Buyer, nor does it assume liability for any advice provided in connection with that design, unless Hendi has supplied the product with application of the CE standards. The Buyer itself is liable for the functional suitability of the materials prescribed by the Buyer.

“Functional suitability” must be understood to be suitability of the material or part for the purpose for which it is intended according to the Buyer’s design.

Article 6 - Technical requirements, quality and description

- 6.1) In the event that Hendi has shown or provided a model, sample or example, this will be alleged to have been shown or provided only as an indication: the properties of the items to be supplied may deviate from the sample, model or example, unless it was expressly stated that the items would be in accordance with the shown or provided sample, model or example.
- 6.2) In the event that the items to be supplied in the Netherlands are used or supplied to a location outside of the Netherlands, Hendi only accepts liability for the technical requirements or standards that the items must meet if and insofar as the goods are supplied in the European Economic Area, in which the CE marking is used. This only applies if approval has been received for the country the items are supplied to, and such approval has been confirmed by Hendi. In every other situation, the Buyer must see to it that the relevant item meets the requirements for the CE marking of the relevant country.

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Article 7 - Prohibition of export to America/Canada

The Buyer is not permitted to resell/export items bought from Hendi to the United States or Canada.

If the Buyer is nonetheless of the opinion that it must resell the purchased goods to the relevant countries, Hendi does not accept liability for the items it has supplied. In such cases, Hendi can never be held liable for the item it has supplied, and the Buyer will not be able to make a claim under a warranty, as referred to in Article 17 of these General Terms and Conditions. In such cases, the Buyer undertakes to indemnify Hendi against any claims, of whatever nature, that arise from the Buyer supplying the products to the United States or Canada.

Article 8 - Agreements

- 8.1) The agreement is effected as soon as the acceptance of the offer has reached Hendi, or as a result of Hendi actually carrying out the order.
The acceptance must take place in writing, and may be sent using means of data communication. Through acceptance, the Buyer agrees to these General Terms and Conditions being declared to apply, and waives applicability of its own purchase conditions.
- 8.2) In the event that the acceptance contains reservations or changes with regard to the tender, the agreement will – in derogation from the conditions of the preceding paragraph – only be effected if Hendi has informed the Buyer in writing that it agrees to the derogations from the tender.
- 8.3) Agreements, entered into through members of staff that are not authorised to do so, will not bind Hendi, unless these have been/are confirmed by Hendi in writing.
In this context, “unauthorised members of staff” must be understood to be employees and staff members who do not have the power of attorney in accordance with the registration in the Trade Register of the Chamber of Commerce and Industry.

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Article 9 - Dispatch and delivery

- 9.1) Hendi undertakes to the Buyer to package items properly and secure them in such a way that, provided that they are transported in a normal fashion, they will reach their destination in good condition.
- 9.2) Delivery periods will be determined roughly. The delivery period will start once agreement has been reached with respect to all technical details, after Hendi has been provided with all the details required for the delivery and – if this has been agreed upon – Hendi has received the agreed (partial) payment, or Hendi has been provided satisfactory security for the payment.
- 9.3) The delivery period will be determined on the assumption that Hendi will continue to be able to work in the way it intended at the time of the offer, and the required materials will be delivered on time. In principle, exceeding the delivery period can only lead to compensation if this has been expressly agreed upon in writing.

In all other cases, Hendi will not be liable for compensation of loss suffered as a result of overdue compliance, insofar as mandatory provisions do not imply otherwise.

- 9.4) In the event of a minimum order amount of € 450 gross, Hendi will deliver the items carriage paid, or send it to the agreed location in order to be delivered, within the Netherlands. Hendi will be authorised to send items to the Buyer against payment on delivery. Immediately following delivery, the Buyer will bear the risk of all direct and indirect damage to or loss due to the delivered items or parts thereof.
- 9.5) Delivery outside of the Netherlands will be ex factory, warehouse or distribution centre. From the time of dispatch, all goods are transported at the risk of the Buyer, which means that the Buyer will consequently have to insure the items ahead of time, unless Hendi and the Buyer have expressly agreed otherwise.
- 9.6) If the items cannot be sent due to conditions for which Hendi is not responsible and that are attributable to the Buyer, Hendi will be deemed to have met its obligation to deliver by keeping the item available to the Buyer, provided that it informs the Buyer of this within three days of the items being offered for delivery to the Buyer. In such cases, the payment term will start on the day on which the delivery has actually taken place.

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Article 10 - Purchase

The Buyer is obliged to take delivery of the purchased item within the agreed term. If the Buyer fails to do so, Hendi will – without prior notice of default – have the right to demand payment of the purchase price or the part that the Buyer has not taken possession of and paid yet through judicial intervention, or – also without prior notice of default – to have the agreement or the part of the agreement that has not been performed yet terminated through judicial intervention, without prejudice to its right to demand full compensation of the loss.

Article 11 - Reservation of title and pledge

- 11.1) The items Hendi delivers to the Buyer will continue to be the property of Hendi as long as the Buyer has not settled its debts to Hendi in respect of this or a similar agreement and as long as the Buyer has not satisfied Hendi's claims in connection with not meeting or not fully meeting such obligations towards Hendi, which includes claims regarding interest, costs and penalties. In such cases, Hendi will be authorised to bring the delivered items under its control. In that case, the ownership will only transfer to the Buyer when the Buyer has met all its obligations towards Hendi.
- 11.2) The Buyer will under no circumstances be authorised to dispose of the items delivered, processed or not processed by Hendi as long as its outstanding debts have not been settled, nor is it authorised to rent out, pledge or otherwise remove the abovementioned items from Hendi's control or establish a right of pledge or non-possessory right of pledge in respect of these items.
To third parties who wish to establish such a right in respect of such items, the Buyer will undertake to, at the request of Hendi, declare that it is under no circumstances authorised to establish a right of pledge or non-possessory right of pledge.
As long as the debts have not been settled, the Buyer undertakes to refrain from signing any deed in which a right of pledge is established in respect of items, in which case it will be guilty of embezzlement.
- 11.3) Hendi reserves the right to establish a right of pledge in respect of items the ownership of which has been transferred to the Buyer as security for the payment of all future claims that Hendi has or will have against the Buyer outside of these or similar agreements. The Buyer undertakes to, at the request of Hendi, cooperate in the drawing up of an authentic deed regarding those items or having a private deed regarding those items registered.
- 11.4) In the event that Hendi has serious doubts about the solvency of the Buyer, Hendi will be authorised to postpone the delivery of items until the Buyer has provided security for the payment. The Buyer is liable for the loss suffered by Hendi as a result of the delayed delivery.
- 11.5) The Buyer is obliged to immediately inform Hendi in writing of the fact that third parties have made a claim on items in respect of which title has been reserved in accordance with this article. Should it at some point become apparent that the Buyer has not met this obligation, it will owe a penalty, immediately due and payable, to the amount of 10% of the unpaid part of the purchase price, without judicial intervention.
- 11.6) In such cases, Hendi will be authorised to bring the delivered items under its control, which includes gaining entry to the premises of the Buyer in order to remove the relevant items/goods from the Buyer's warehouses/storage depots itself.

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Article 12 - Prices and payment

- 12.1) All prices are based on the exchanges, import duties, taxes and levies that apply at the time of formation of the agreement. In the event that, after formation of the agreement, one of the cost-determining factors – which includes the abovementioned factors – is subject to increase, Hendi will be authorised to increase the agreed price accordingly. Hendi will immediately inform the Buyer in writing of any price increases.
- 12.2) Unless agreed otherwise in writing, the prices are gross and exclude VAT, have not been subject to deduction of any discount and exclude freight charges and packaging, unless explicitly agreed otherwise.
- 12.3) Payments must be made within thirty days of the invoice date, unless agreed otherwise in writing:
- by means of a legal currency at the offices of Hendi;
 - through transfer of the amount owed to a bank and/or giro account designated by Hendi;
 - if it concerns a first order, the items will only be sent against payment on delivery, or after the Buyer has paid the amount related to the order to Hendi by telephone transfer.
- 12.4) The right of the Buyer to offset any claims it might have against Hendi, regardless of their nature, is explicitly excluded.
- 12.5) Derogating payment conditions are only permitted when they are stated both in the tender and on the invoices. Hendi will only accept bills if this has been agreed upon in advance, and if the Buyer compensates all additional risks and costs, as well as any loss of interest. Payment terms, once agreed upon, will not create obligations for Hendi for the future. Hendi is authorised to set a payment term for each individual order.
- 12.6) In the event that payment of the sent invoice does not take place within the agreed term of the date on which the relevant invoice is sent, Hendi is authorised to demand compensation from the Buyer for loss of interest upon the expiry of the relevant term, to the amount of the statutory interest or to the amount of 10% a year if the statutory interest is less than 10% of the total amount of an invoice. In addition, Hendi will be authorised to – in addition to the principal and the interest – charge the Buyer for (all) extrajudicial costs that arise from the non-payment or overdue payment.

The Buyer will in any case owe the extrajudicial costs in the event that Hendi has enlisted the help of a third party for the collection. They will be calculated on the basis of the collection rates recommended by the Netherlands Bar Association in collection cases, with a minimum of €375.

The mere fact that Hendi has enlisted the help of a third party reflects the extent of and the obligation to pay the extrajudicial costs.

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Article 13 - Solvency

- 13.1) Hendi will always be authorised to require security for the fulfilment of the payment obligations of the Buyer – the level of which must be sufficient in the opinion of Hendi – before making a delivery, or continuing the execution of the instruction. This condition will also apply if a credit has been stipulated.
- 13.2) Hendi will also be authorised to suspend delivery if the Buyer fails to fulfil its (payment) obligations, even if a fixed delivery period has been agreed upon.
- 13.3) All payments made by the Buyer will first be applied to settle all interest payable and costs, and subsequently those invoice amounts that have been outstanding for the longest period, even if the Buyer indicates that the payment relates to a later invoice.
- 13.4) If the Buyer refuses to provide the requested security, Hendi will be authorised to consider the agreement to be terminated, without prejudice to its right to compensation of costs and lost profits.

Article 14 - Complaints and transport damage

- 14.1) Complaints are understood to be: all grievances of the Buyer concerning the condition of the delivered goods.
- 14.2) Complaints and claims concerning accounts or invoices of Hendi, or concerning the condition of the delivered items, must be made to Hendi within three days of delivery or dispatch by means of a registered letter. The Buyer can derive no rights and base no claims on claims or complaints made at a later stage or in another way. The goods will in that case be deemed to have been received in good order.
- 14.3) The Buyer must inspect the goods upon delivery. In order to receive compensation of transport damage caused by the carrier, the damage must be noted on the waybill.
For the purposes of this article, every delivery will be considered a separate transaction.
- 14.4) Claims can only be made with respect to items that are still in the condition they were in at the time of delivery . Deviations that are considered allowable or unavoidable in the business are no basis for claims. Under no circumstances may claims lead to suspension of payment of the delivered items.
- 14.5) In the event of a justified claim, Hendi will have the right to repair or replace the delivered goods if it concerns a structural defect, manufacturing fault or defect in the material.

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Article 15 - Liability

- 15.1) Hendi will never be obliged to compensate indirect or direct loss (of any kind) suffered as a result of faults in the work executed or the assembled and delivered installations and goods delivered. Hendi complying with its warranty obligations will be considered sole and full compensation. Any other claim for compensation is excluded.
- 15.2) Hendi is only liable for loss suffered by the Buyer that is the direct and exclusive result of negligence on the part of Hendi, on the understanding that only loss against which Hendi is insured or should – by market standards – have reasonably been expected to be insured will be liable for compensation. In that respect, the following restrictions must be taken into consideration:
- a) trading loss (operational failure, storage charges and other expenses, loss of income, etc) regardless of its cause, will not be liable for compensation. If it so desires, the Buyer should take out insurance against such loss;
 - b) Hendi will not be liable for damage of any kind caused by or during the use of the delivered items or installations to items on which work is being carried out or to items in the vicinity of those goods;
 - c) Hendi will not be liable for outside influences on the items it has delivered.
 - d) in addition, excluded from the warranty are:
 - a. damage caused by transport.
 - b. damage caused by installation and/or tuning errors.
 - c. damage caused by insufficient ventilation for heat emission.
 - d. damage caused by repairs made or attempted by service engineers not recognised as such by Hendi.
 - e. damage as a result of operation errors, operation that is not in accordance with the manual of the article, improper use, experiments or deliberate overloading.
 - f. costs to accelerate replacement or repair, or carrying out temporary repairs.
 - g. damage caused by improper maintenance of the equipment.
 - h. damage caused by neglecting to replace the filters.
- 15.3) In all cases, Hendi's liability will be limited to the net amount that the Buyer has been charged in respect of the goods and/or services to which the liability pertains.

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Article 16 - Termination and force majeure

- 16.1) Without prejudice to the conditions of Article 12, the purchase agreement will be terminated without judicial intervention following a written statement when the Buyer is declared bankrupt, applies for a temporary moratorium or loses power of disposition of its assets or part thereof as a result of attachment, a guardianship order or otherwise, unless the guardian or administrator recognises the liabilities arising from this purchase agreement as liquidation costs.
- 16.2) As a result of the termination, mutual claims become immediately due and payable. The Buyer is liable for the loss suffered by Hendi, such as lost profits and transport costs.
- 16.3) The delivery period referred to in Article 9 will be extended by a period during which Hendi is prevented from fulfilling its obligations due to force majeure. In the event that, due to force majeure, delivery or purchase is delayed by more than six months, each of the parties is authorised to terminate the agreement in accordance with the Law, to the exclusion of further rights.
The term of six months will be shorter or longer insofar as one of the parties can show that, according to the standards of reasonableness and fairness, termination at a later or earlier date is justified.
- Force majeure on the part of Hendi will in any case include:
- circumstances in which suppliers of Hendi do not provide Hendi with services that are important to the services Hendi must provide itself, do not provide such services on time or do not provide them properly;
 - strikes;
 - disruptions in road, shipping and air traffic;
 - items that become lost during transport;
 - Government measures that prevent Hendi from fulfilling its obligations, fulfilling them on time or fulfilling them properly.
- 16.4) In the event of unforeseen circumstances of such a nature that the Buyer or Hendi, according to the standards of reasonableness and fairness, cannot expect Hendi or the Buyer respectively to fulfil its obligations unchanged, the Court can – at the request of Hendi or the Buyer respectively – change, terminate or partially set aside the agreement.
- 16.5) In the event that Hendi, at the time of the force majeure occurring, has already partially fulfilled its obligations or can only partially fulfil its obligations, it will be authorised to charge separately for the part that has already been delivered or can be delivered, and the Buyer will be obliged to pay the invoice as if it concerns a separate contract.

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Article 17 - Warranty

- 17.1) Hendi accepts liability towards the Buyer for damage to and by items that appears during the warranty period referred to in the order confirmation, unless the damage is caused by the Buyer using the items in conflict with the manual provided with the items, or makes another mistake in the use of the items.
- 17.2) Hendi's liability is limited to free repairs of a faulty item or replacement of that item or a part thereof. All this will be at Hendi's discretion.
- 17.3) The warranty will only apply if the Buyer has fulfilled all its obligations towards Hendi, and non-fulfilment of these obligations will not lead to the warranty period referred to in the invoice being extended.

Article 18 - Return shipments

- 18.1) Hendi is not obliged to take back, replace or credit the items received by the Buyer.
- 18.2) As an exception, Hendi can indicate in writing under which circumstances it is prepared to take back or credit the items.

Article 19 - Applicable law/disputes

- 19.1) All agreements entered into under these Terms and Conditions are subject to Dutch law.
- 19.2) All disputes arising from offers and deliveries, as well as purchase and sale agreements, must be submitted to the judgment of the competent Civil Court in Hendi's place of business, unless the Cantonal Court is the competent court in such disputes.

These Terms and Conditions, which Hendi can change and/or supplement at all times, will be filed at the Registry of the District Court in Utrecht and with the Chamber of Commerce and Industry of Utrecht.

Thus drawn up in Rhenen, 1 February 2007.

R.E. Vooy's, director
[Signature]