

AGREEMENT

THIS AGREEMENT (the "Agreement") is made on 22 December 2008 between

1. **Shaoxing Sunny High Strength Fastener Co., Ltd**, Pingshui Town, Shaxing City, China, VAT No CN330621767999200 ("Supplier"); and
2. **Appro AB**, Motorgatan 2, 442 40 Kungälv, Sweden, VAT No SE556265419301 (hereinafter "Buyer").

Each of Supplier and Buyer shall be referred to as a "Party" and collectively the "Parties".

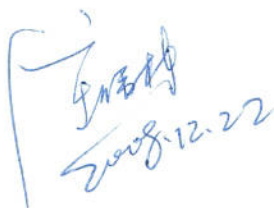
WHEREAS

- (A) Supplier and Buyer have on 14 and 24 August 2007 entered into a business agreement concerning the supply of fasteners by Supplier to Buyer. It has turned out that certain of the fasteners delivered under the business agreement have not been correctly certified as stipulated by the business agreement.
- (B) The Buyer has suffered and will suffer certain costs, loss and liability due to the deliveries of the non-correctly certified fasteners, due *inter alia* to claims from its customers.
- (C) The Parties have agreed that Supplier shall compensate Buyer for certain of its costs, loss and liability in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS

1 COMPENSATION

- 1.1 For part of the costs, loss and liability suffered by the Buyer due to delivery of the non-correctly certified fasteners, Supplier shall compensate Buyer in accordance with the following:
 - (a) through the payment in cash of EUR 100,000, to be paid at the latest by 31 December 2008; and
 - (b) through immediate telex release, without payment, upon signing of this Agreement, by Supplier to Buyer of the deliveries in the 3 containers currently waiting to be released to Buyer in the port of Gothenburg. Buyer shall receive this shipment of fasteners of a total value of EUR 95,000. The goods will be accepted by the Buyer if it passes all tests and are accepted and ordered by Alfa Laval.



2008.12.22




- 1.2 The payment set out in Section 1.1 (a) shall be made to Buyer's account in SEB, account no, same as before. [If the Supplier fails to pay this amount by 31 December 2008, this amount shall accrue monthly interest at the interest rate of [LIBOR 1 month plus 3 per cent as from 31 December 2008 until payment, using the LIBOR 1 month listed on 31 December 2008]. Appro AB will also take legal action against the Supplier]

2 MISCELLANEOUS

- 2.1 The acceptance by Buyer of the compensation set out in this Agreement is only settlement in part of Buyer's claims in relation to the non-correctly certified fasteners, and shall not be considered as a waiver of the Buyer's remaining claims nor as a waiver of any other grounds for compensation pursuant to the business agreement or otherwise for compensation for the deliveries of non-correctly certified fasteners by Supplier to Buyer.
- 2.2 The Parties agree that this Agreement shall be governed by Swedish law and that any disputes, controversies or claims arising out of, or in connection with this Agreement, or the breach, termination or invalidity hereof, shall be settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration proceedings shall be conducted in the English language and shall take place in Stockholm, Sweden. The arbitral tribunal shall be composed of three (3) arbitrators.


This Agreement has been duly executed in two (2) original copies, of which each of the Parties has taken one copy.

SHAOXING SUNNY HIGH STREET
STRENGTH FASTENER CO., LTD



2008.12.22

APPRO AB



PETER FJÖR