

CONDITIONS OF SALE AND DELIVERY**1. ACCEPTANCE OF ORDER**

Our deliveries are made exclusively on the basis of the following conditions. Amendments and additions thereto shall be considered invalid unless in writing. The (purchaser's) conditions shall apply only to the extent that they agree with our sales conditions, even if the contrary is specified in the purchaser's conditions and no objection is raised by us.

All offers shall be without obligation. An obligation to supply shall only commence upon written confirmation of the acceptance of the order. Alterations or cancellations of orders shall be invalid without our written consent. Technical documents such as schematics, descriptions, and illustrations, as well as dimension and weight data, shall be only approximations. We reserve the right to make alterations in the final product.

If quality and capacity of products to be manufactured are guaranteed with delivery of installations, the purchaser shall be obliged, within reason, to adjust the work pieces to requirements of automated material processing and handling, or to prepare them according to state of the art, and to ensure the dimensional accuracy and cleanliness of the parts as necessary for fault-free automation.

2. DELIVERY DATES

The customer shall not enjoy any claims resulting from any failure to meet the delivery dates. Compliance with promised delivery dates shall be subject to receipt of agreed upon prepayments, the timely settlement of payment for any earlier deliveries, and the clarification of all production details concerning the unit to be supplied. Partial deliveries shall be permissible unless excluded by written agreement.

Force majeure shall entitle us to postpone delivery for the duration of the hindrance and to permit a reasonable start-up time or to withdraw from the contract to the extent that it has not been fulfilled, whereby such measures shall not entitle the customer to any compensation claims. Force majeure shall be or shall be deemed to be: Mobilisation, involvement in war, plant stoppage, strikes, lock-outs, and any and all circumstances that significantly make delivery difficult or impossible, such as official measures, fire damage, traffic interruptions, etc., whereby the above shall apply irrespective of whether these factors occur at our operations or those of our suppliers.

The obligation to supply shall cease upon suspension of payments or the opening of bankruptcy proceedings with respect to the purchaser's assets.

3. PRICES

The prices specified in our confirmation of order shall apply.

4. PAYMENT

Unless otherwise agreed upon, our invoices shall be payable as follows:

Domestic: Machine and installation invoices

1/3 on placement of order

1/3 on delivery

1/3 30 days after invoice date, net

Foreign: Machine and installation invoices

1/3 on placement of order

remainder by means of irrevocable and confirmed letter of credit. Invoices for assembly and service are payable immediately and without exception.

Payments received shall offset against any outstanding payments due.

If supplied goods are resold, the amount of invoice shall be payable immediately.

In the event of delayed payment, we shall be entitled to charge default interest at a rate of 7% and shall also be entitled to additional damage claims. The purchaser may only offset against our claims, or exercise a right of retention if the counterclaim is undisputed, or a final judgement has been given. In the event of delayed payment, all charges for demands for payment and collection charges shall be reimbursed by purchaser.

5. RIGHT OF OWNERSHIP

We reserve title of supplied goods until settlement of all claims deriving from the business transaction; the purchaser shall permit official registration of our retention of title to ownership at any time, if requested by us.

The customer undertakes to insure goods supplied under retention of title to ownership against fire and theft at his expense, and to submit evidence to us of such insurance at any time, on request. On acceptance of the conditions of sales and supply, the purchaser's claim against the insurance company for compensation is assigned to us. We are entitled to demand the return of supplied goods in the event of delayed payment or of payment difficulties. Return of goods shall only be considered a withdrawal from the contract if the purchaser is explicitly notified in writing. Otherwise return of goods serves to secure our claims. Transport and storage costs resulting from the return of goods shall be carried by the customer. The same shall apply for any reduction in value and dismantling costs.

Resale of goods supplied by us, in particular foreign sales, shall only be permitted with our written consent obtained in advance. In the case of goods bought and supplied under retention of title to ownership, the reseller's claims shall be assigned to us in the amount of the outstanding sum payable to us before conclusion of the resale.

Goods bought or supplied under retention of title to ownership shall not be pledged or assigned as security. Seizures by third parties against our security, such as levy of execution, shall be notified to us immediately in writing.

6. FORWARDING

Transport shall be at the customer's own risk even if transport is freight prepaid. In the case of freight prepaid deliveries, we shall be entitled to choose the means of transport.

Delivery insurance shall be the exclusive responsibility of the purchaser and shall be, in all circumstances, at purchaser's expense. Forwarding instructions shall be provided with the order, otherwise method of shipping and shipping route shall be determined by us, regardless of speed and expense of dispatch. Upon receipt of goods, the recipient shall have any damage or loss recorded and certified officially by the railway company, the carrier, or deliverer, and shall assert its claims.

The acceptance of goods may not be refused because of transport damage or shortage. If sample work pieces are supplied by the purchaser, the purchaser shall be liable for damage or loss of these samples. Shipping costs and any import charges shall be the exclusive responsibility of the purchaser. We shall not accept return of any kind of packaging.

7. COMPLAINTS

All agreed upon inspections or acceptance tests shall take place in the seller's production facility, and before the goods leave the facility. Upon leaving the facility, the goods shall be considered delivered, according to conditions stipulated, including goods which were not inspected or accepted by the purchaser at the agreed upon time, or if the purchaser has waived inspection or acceptance tests.

Notice of defects shall be sent to us by registered letter accompanied by the bill of sale within one week of receipt of goods. If such notice is justified, the customer shall return the goods freight prepaid, whereupon we shall be obliged, at our discretion, either to supply a replacement for the

defective part or to repay the purchase price. Notice of defects shall not, under any circumstances, entitle the purchaser to alter the terms of payment or to postpone the payment date.

8. PLACE OF PERFORMANCE AND JURISDICTION

Place of performance shall be our head office in Wiener Neudorf. The venue for all disputes deriving directly or indirectly from the contract shall be the appropriate Austrian court of law for the first Viennese District (1010 Vienna) responsible for subject-matter jurisdiction. We shall also be entitled to invoke the aid of the purchaser's appropriate head office court, or to invoke the aid of a court of arbitration, instead of ordinary courts.

In this case, the due course of law is excluded, and the Arbitration Act of the Bundeskammer der gewerblichen Wirtschaft Oesterreich shall apply.

The arbitration proceedings shall be initiated by notifying the purchaser through a registered letter.

9. WARRANTY

For our installations we guarantee for a time period of twelve months after production start/ final acceptance protocol, without any shift limit.

The twelve month guarantee shall be valid only when delivered installation is used/ maintained according to instructions and exclusively original spare- and wear parts are used. For deliveries of installation components and spare parts, except wear parts, we guarantee for a period of six months. The warranty period shall generally commence at the point of time the goods leave the seller's facility.

If dispatch or mounting and setting into operation is delayed due to purchaser, the warranty period for installations and installation components shall terminate within fifteen months after notification of readiness for shipment.

We undertake to repair or replace any parts that become defective or unusable as a result of faulty material, faulty design, or faulty workmanship, in a timely manner, whereby evidence shall be provided thereof. All further liabilities are excluded.

Liability for replacement shall not include parts subject to natural wear and tear.

The warranty shall apply to the repair or the replacement of defective parts. Parts replaced shall be returned to us immediately for evaluation.

We assume no further liability for direct or indirect damages; nor shall we be liable for subsequent costs due to improper handling by the purchaser. The warranty shall expire immediately and in its entirety if the customer performs alterations or repairs himself without our written consent, or has such alterations or repairs performed by a third party. Unless agreed to separately and in writing, we shall not be liable for delivered equipment that does not meet foreign stipulations.

Warranty claims shall become statute-barred within a maximum of three months after rejection of the notice of defects.

10. DAMAGES AND PRODUCT LIABILITY

Any claims for damages against the seller are mutually waived.

Excluded claims do not include those which are based on conclusive legal stipulations regarding consumer rights, or those made according to the Product Liability Act.