

GENERAL TERMS AND CONDITIONS

1. VALIDITY

These general terms and conditions apply insofar as the parties to the contract have not expressly made written agreements to the contrary. Conditions of purchasing that are contrary to or differ from these terms and conditions will not be recognised. These terms and conditions of the seller are also valid when the seller effects delivery to the purchaser in full knowledge of purchasing conditions to the contrary of these conditions terms and conditions or that differ from them. Verbal agreements made by sales representatives need the written confirmation of the management in order to become effective. The terms and conditions have been designed for legal business between traders in the sense of §1 KSchG. Should they by exception be applied to legal business with consumers in the sense of §1 KSchG, then they only apply insofar as they do not contradict the stipulations of this law. The following stipulations concerning the delivery of goods also apply by analogy to any other services performed by the seller. In the case of assembly work, the assembly work regulations of the professional Association of the Austrian Engineering and Steelworking Industry apply. As far as nothing to the contrary has been determined in these terms and conditions, those general terms and conditions for delivery apply which are current for the professional Association of the Austrian Engineering and Steelworking Industry, dating from March 1963 in the version of 1 May 1994.

2. OFFER

The seller's offers remain subject to change without notice and non-binding. The order that is signed by the purchaser is a binding offer. The seller is entitled to accept this offer within 4 weeks by sending an order confirmation.

3. CONDITIONS OF PRICES AND PAYMENT

Insofar as nothing else results from the order confirmation, the prices are valid ex factory from the seller's address, exclusive of packaging and loading. If it is agreed that the delivery should include service, then the prices are to be regarded as being exclusive of unloading and contracts. The seller retains the right to increase the prices if, after the contract has been concluded, an increase in the costs should occur, in particular due to collective agreements or increases in the price of materials. Upon conclusion of a contract which leaves the price open, the sales price to be calculated will be that which applies on the day of delivery. Not included in the price is the legally applicable value added tax. This should be the legally valid amount applying on the day when the invoice is made out and should be separately shown on the invoice. Insofar as nothing to the contrary is stated in the order confirmation, half of the purchasing sum is due upon receipt of the order confirmation, the rest within 10 days of receiving the invoice or of notice of readiness to dispatch. The purchaser is not entitled to retain payments made on account of guarantee claims or other counterclaims not recognised by the seller.

If the purchaser is behind with an agreed payment or other services, the seller can insist upon fulfilment of the contract and

* delay the fulfilment of his own obligations up until the outstanding payments or other services have been effected.

* claim an appropriate prolongation of the delivery deadline.

* demand the whole of the purchasing price that is still open.

* as of the date due, charge interest to the amount of 5% above the primary rates of the Austrian banks and the reimbursement of all costs arising in connection with obtaining the performance (payment) of the purchaser.

* or, after an appropriate period has passed, declare his withdrawal from the contract.

If, due to a delay in payment, the seller has demanded the whole purchasing price that was still open and the purchaser has nevertheless still not made the payment that is owed or performed other services that were outstanding, then the seller can withdraw from the contract by written communication of the same. If the seller so demands, the purchaser has to return to the seller any goods that have already been delivered and pay compensation for any depreciation in the value of the goods that may have occurred, as well as for any expenses which the seller may have had in carrying out his side of the contract. For goods that have not yet been delivered, the seller is entitled to place the finished or already started parts at the disposal of the purchaser and to demand a corresponding percentage of the sales price.

Specially designed models which were not specified in the price list will be calculated upon demand.

4. RIGHTS OF OWNERSHIP

Until all the obligations of the purchaser have been completely fulfilled, the seller retains the rights of ownership to the object of sale. In the case of seizure or other claims made upon the object of sale, the purchaser is required to assert the seller's rights of ownership and should immediately inform the seller in writing of the situation. The purchaser is entitled to sell the object of sale in an orderly business transaction. However, in the case of an alienation of the goods, the purchaser has to retain ownership of the object of sale until full payment for it has been made. The purchaser then withdraws from any further alienation demands from his sub-purchaser up to that amount which is still owed as the purchasing price. Upon a further sales agreement, the purchaser is obliged on the one hand to inform his sub-purchaser of his withdrawal and on the other hand to immediately inform the seller in writing of the name and address of the sub-purchaser, as well as the amount that he has demanded from the latter. The seller is entitled to make use of his right to withdrawal at any time and also to make the demand himself. The purchaser is obliged to treat the object of sale with care and to insure it sufficiently up to the amount of its new value against fire, water and theft. The processing or alteration of the object of sale on the part of the purchaser is always undertaken on behalf of the purchaser. If the object of sale is altered together with other objects which do not belong to the seller, then the purchaser acquires co-ownership of the new object in a relation of the value of the object of sale to the other altered objects at the time of the alteration. Incidentally, for the object that arises through the process of alteration the same applies as for objects of sale that have been delivered with reservation.

5. DELIVERY

Insofar as nothing to the contrary has been agreed, the delivery period begins with the latest of the following times:

- Date of the order confirmation.

- Date of the fulfilment of the technical, commercial and financial conditions incumbent upon the purchaser.

- Date upon which the seller receives the due payment before delivery of the goods or a letter of credit is opened.

In the case of later alterations to the contract which might influence the delivery period, the delivery period is appropriately extended, insofar as no special agreements have been made on this point. If the delivery is delayed through the arising of unforeseeable and unusual circumstances, regardless of whether they occur on the side of the seller or the suppliers (e.g. interruptions of service, intervention on the part of the authorities, war, blockade, riots, delay in the delivery of essential raw materials and building materials, shortages in the supply of energy or *force majeure*), so that it thereby becomes impossible to make the delivery or render the service, then the delivery period is to be extended by an appropriate length of time. If it becomes impossible to perform the delivery of service because of such circumstances, then the seller becomes free of the obligation to deliver. These regulations also apply in the case of a strike or a lockout. Should the delivery time be increased in this case, or if the seller becomes freed of his delivery obligations, then the ordering party cannot make any claims to compensation. If the impediment lasts longer than 3 months, then the purchaser is entitled, after an appropriate supplementary deadline has been set, to withdraw from that part of the contract that has not yet been fulfilled. If the seller has caused a delay in delivery, then the purchaser can either demand fulfilment of it or, after setting an appropriate additional period for the purpose of catching up with the delivery, withdraw from the contract. If the additional deadline is not kept through the fault of the seller, then the purchaser can, through written communication, withdraw from the contract with regard to all the goods that have not yet been delivered and all those that have already been delivered but which cannot be properly used without those that have not yet been delivered. In this case, the purchaser has the right to reimbursement of the payments made for the as yet undelivered goods or for the usable goods and as far as the delay in delivery was caused by the seller, of compensation for rightful expenses entailed up to cancellation of the contract and for its implementation. The purchaser has to return already delivered and unusable goods to the seller. Other claims of the purchaser towards the seller on the basis of a delay in delivery, in particular claims of compensation due to non-fulfilment, are expressly excluded. Should the purchaser not accept the goods at the location or time agreed in the contract, then the seller can either demand fulfilment or withdraw from the contract after setting a deadline for acceptance of the goods. In this case the seller is entitled to demand compensation from the purchaser for the expenses that he has incurred, including any additional expenditure. In this case the risk of a coincidental loss or coincidental deterioration of the object of sale passes to the purchaser at that time in which the delay in acceptance occurred. The seller is entitled to carry out partial delivery or pre-delivery.

6. WARRANTY AND LIABILITY

According to the standards of the following regulations, the seller is liable for all those defects which affect the usability of the goods and which are due to a defect in the construction, the material or the finishing. The obligation of the guarantee only applies to those defects which occur during a period of eighteen months after they were initially put into operation, in the case of delivery that includes setting up as well as the completion of assembly, although at the latest within twenty-four months of delivery. The Seller offers the same entitled period of warranty for goods and parts only in the context of the entitled warranty received by the Seller from the third party subcontractor. The warranty claims presume that the purchaser has immediately informed the seller in writing about the defects that have emerged. Insofar as the defects can be remedied by the seller, he has to choose between

- improving the defective goods on site.

- having the defective goods or defective parts returned for the purpose of improvement.

- replacing the defective goods.

An extension of the warranty period does not occur due to remedy of the defects. If the seller has the defective goods or parts returned for the purpose of improvement or replacement, then the purchaser is liable for the costs and risks of transport, insofar as nothing has been agreed to the contrary. The costs and risks of sending back the improved or replaced goods or parts thereof to the purchaser are to be borne by the seller, insofar as nothing has been agreed to the contrary. The defective goods or parts that have been replaced in accordance with this article, are then at the disposal of the seller.

The seller is only liable for the costs of repair of the goods that has been undertaken by the purchaser himself, if he agrees to this in writing. The seller is only responsible for those defects which occur under the agreed operational conditions and in normal usage. He is not responsible for any defects that may arise due to bad assembly work on the part of the purchaser or his employees, due to bad maintenance, or to repair work that is either bad or has been undertaken without the written approval of the seller, due to changes undertaken by a third party or also in the case of normal wear and tear. The seller is only liable for those parts of the goods that he has ordered from third parties which come within the framework of the warranty claims which he himself has towards the subcontractors. If the goods are made according to construction plans, drawings and models of the purchaser, then the liability of the seller does not extend to the correctness of the construction, but only as far as the execution made in accordance with the purchaser's specifications. In such a case, the purchaser is responsible for ensuring that the seller is free of all liability for any infringement of protective rights. The seller bears no liability for any repairs, changes or alterations to any foreign goods or for delivery of used goods. Insofar as nothing to the contrary emerges from these regulations, extensive claims of the purchaser for whatever legal reasons they may be are excluded. The seller is therefore not liable for damages which did not occur to the delivered object itself, in particular not for a loss of profit or other pecuniary loss on the part of the purchaser. At all events, any warranty claims are limited to the amount of the price paid by the purchaser. From the start of the guarantee, the seller has no further liability for the object other than those stipulations specified in this article. He is not responsible for defects which are caused previous to the passing of the risk. The object of sale offers only that amount of safety which can be expected from the approval regulations, operational instructions and rules devised by the seller for using the object of sale, in particular with respect to any prescribed checks and other given indications.

7. SYSTEM INFORMATION

With every delivered system both operational instructions and a sheet with system-specific information such as measuring pressure, filling pressure etc. are to be provided. These instructions should be followed explicitly. Above all, the purchaser should ensure that the oil and gas density have been checked before putting the system into operation.

8. OTHER COMPENSATION CLAIMS

Insofar as nothing to the contrary has been stated in the above-mentioned text, compensation claims cannot be made against the seller without taking into consideration the legal status of the claim. Compensation claims thus excluded would therefore in particular include injuries to persons, damages to goods which do not form part of the object of sale, other damages and a loss of profit insofar as they do not arise from an individual case that is due to the neglect of the seller. Also expressly excluded is the liability for replacement, for damages resulting from the product liability law, as well as product liability claims which can be derived from any other regulations.

9. PLACE OF JURISDICTION, APPLICABLE LAW, PLACE OF PERFORMANCE

The place of jurisdiction for all disputes arising from or in connection with this contract is Deutschlandsberg. For the delivery and payment the place of performance is the address of the seller and namely even when the delivery occurs at another place, in accordance with the agreement. The relationship in the contract is subject to Austrian law, with the exception of the UNCITRAL unit purchasing law (the agreement for contracts in international sale of goods dating from 11.4.1980), the application of which is expressly excluded. Should a regulation in these contract regulations be null and void or legally invalid, then the other regulations remain unaffected by it.