

GENERAL TERMS AND CONDITIONS OF BUSINESS
of
PAL-TEC Automation GmbH

1. General

1.1. The General Terms and Conditions for supply and assembly of mechanical, electrical and electronic products of the Fachverband der Maschinen- und Stahlbaubetriebe Österreichs [Professional Association of the Machine and Steel Construction Industry of Austria] in the form that was applicable at the time that the contract was concluded shall apply for all business connections arising between PAL-TEC Automation GmbH (hereinafter referred to as "PAL-TEC") and customers of the resulting deliveries and services and the associated information and consulting. These are to be modified by the present General terms and Conditions of Business. The use of any terms and conditions of business that differ from these must be agreed upon in writing. Any agreements made verbally or by telephone must be confirmed in writing to be binding.

1.2. PAL-TEC supplies and delivers exclusively on the basis of the present terms and conditions of business. PAL-TEC explicitly repudiates the terms and conditions of business and purchasing of the orderer. PAL-TEC is only bound by such terms and conditions if PAL-TEC has explicitly agreed to them in writing. In particular, any negotiations on fulfillment by PAL-TEC do not constitute approval of the terms and conditions of the orderer. If the orderer does not agree with the present terms and conditions of business, he must inform PAL-TEC of this fact explicitly and directly in a separate written statement.

1.3. In such cases PAL-TEC reserves the right to withdraw the quotation without PAL-TEC being liable for claims of any type to be made against it.

2. Quotations and orders

Quotations from PAL-TEC are subject to change without notice, are limited to 30 days validity in all cases, and are only valid for orders that are not split. If nothing has been agreed to the contrary, deliveries are to be made in the form of call orders within 12 months of confirmation of then order. If a requisition is not made within this period, PAL-TEC is entitled to deliver the balance of the order and to bill for it. PAL-TEC reserves the right to add a minimum order charge for orders of less than Euro 100.

2.1. All drawings and technical documents that have been handed over to one of the business partners remain the property of the original owner. The other partner may only copy these documents or pass them on to third parties with the approval of the owner. Any rights of retention of such documents are hereby excluded.

3. Delivery

3.1. The delivery period starts as of the day that we give confirmation of the order, but not before all the details have been finally clarified. The agreed delivery period shall be extended - and not affecting the rights of PAL-TEC arising from a delay by the orderer - by the length of time by which the orderer is late in performance of his obligations arising from this contractual relationship or from another one; this applies if a delivery date had been agreed upon. In the event of subsequent changes to the contract that could affect the period of delivery, the period of delivery shall be extended appropriately unless any special agreements to the contrary have been made. PAL-TEC is entitled to make partial deliveries and pre-deliveries and to bill for them separately.

3.2. If PAL-TEC falls into default in the performance of its obligations, the orderer must set an appropriate period of grace. He can withdraw from the contract after the end of this period of grace if he has not been informed by this time that the ordered products are ready for shipping.

3.3. Instances of force majeure and other events that are not under the control of PAL-TEC, and in particular such as delays in delivery by sub-suppliers of PAL-TEC, and strikes, lockouts and other circumstances that make delivery by PAL-TEC significantly more difficult or even impossible shall entitle PAL-TEC to cancel any delivery promises or to postpone the delivery for the duration of the obstacle. In the latter case the orderer can request a statement from PAL-TEC as to whether PAL-TEC will withdraw from the contract or else will deliver within a given period. If PAL-TEC does not make this statement within a given period, the orderer can withdraw from the contract.

3.4. All the risk is transferred to the orderer with the handing over of the products to the shipper or freight company, and at the latest when they leave the relevant warehouse at PAL-TEC. When shipping the products, PAL-TEC can select the form of conveyance and the shipping route with the exclusion of all liability; this exclusion does not apply if a senior employee at PAL-TEC had acted with gross negligence.

3.5. If shipping of the goods is delayed for reasons that are within the sphere of responsibility of the orderer, then the risk is passed over to the orderer at the time of readiness for shipping. The orderer shall bear all costs for unsuccessful attempts to deliver and the associated warehousing costs incurred as a result.

3.6. In principle, all shipping costs are to be borne by the orderer unless an agreement explicitly to the contrary has been made in writing.

3.7. In principle, samples and trial specimens of goods are only supplied on a billable basis unless arrangements to the contrary had been agreed upon in writing; in all cases they remain the property of PAL-TEC until they have been fully paid for, regardless of whether this involves a purchase of a sample or a trial specimen.

4. Prices and terms and conditions of payment

4.1. The details given on the order confirmation shall apply concerning the prices and terms and conditions of payment. All payments must be made in accordance with these. In the case of agreements with open delivery dates, the prices as of the date of confirmation of the relevant order shall apply (determination of the time of delivery). All changes involving an agreed foreign currency or its exchange rate with respect to the Euro subsequent to the date of confirmation of the relevant order shall be at the cost of the orderer.

4.2. Payment is to be made in cash or by bank transfer within 30 days of the date of the invoice free of costs and without any deductions or else within 10 days of the date of the invoice with a 2 % discount. Bills of exchange and cheques are only accepted on account of payment and only after explicit agreement. The orderer shall bear all discount and currency conversion charges. Documentary payments are to be payable on sight, the orderer shall bear all charges and costs due outside. Discounts for quick payment will not be granted if the orderer is in default with the payment of earlier orders.

4.3. Extensions of time for payment and the granting of credit shall only be effective on the basis of a written agreement. On request, the orderer must provide an adequate surety for the credited purchase price. If the requested surety is terminated or if it appears that the payment target granted is not justifiable for other reasons, then PAL-TEC is entitled to claim immediate payment for the full amount of the claim.

4.4. All rights to make a refusal on the basis of performance by the orderer are hereby excluded. The orderer has no right of retention. Offsetting by the buyer is only permitted if and to the extent that a counter-claim by PAL-TEC has been explicitly stated in writing as uncontested or has been legally confirmed.

4.5. In the event of non-fulfilment of the agreed terms and conditions of payment, default in payment or exceeding the agreed amount of credit for the goods or in the event of insolvency or liquidity problems at the orderer, PAL-TEC can withdraw from each delivery contract without setting a period of grace. PAL-TEC can take back any goods that had already been delivered but were not paid for.

4.6. In the event of late payment or default by the orderer, PAL-TEC is entitled to charge penalty interest on the amount in default at the rate of 5 % p.a. above the relevant discount rate of the national bank, and in the case of late payment or default involving foreign currencies, at the rate of at least 12 % p.a. above the relevant discount rate of the issuing bank for the currency of the invoice in question.

4.7. All claims by PAL-TEC can be made liable for immediate payment, regardless of the period of validity of any bills of exchange received and credited or any other agreements made concerning payment targets if a payment deadline is not met or if the orderer infringes any other contractual agreements or if PAL-TEC comes to learn of circumstances that affect the creditworthiness of the orderer. In such a case PAL-TEC has the right to only make any outstanding deliveries against prepayment or a surety or to withdraw from the contract after setting an appropriate period of grace and to claim payment of damages due to non-fulfilment; in addition, in such cases PAL-TEC can forbid the resale of products already delivered on the basis of its right to retain ownership and to request the return of such goods at the cost of the orderer.

4.8. PAL-TEC reserves in addition the right to bill for all dunning costs and claims for damages and making good where applicable. The orderer shall undertake to make good all the dunning cost, and in particular those concerning a debt collection company or a lawyer, in the event of a delay or default in payment.

4.9. If VAT (Value Added Tax) is not to be included in the invoice for deliveries to an orderer in a member country of the EU, the buyer is required to immediately provide the proof, and without being explicitly requested to do so, that PAL-TEC requires on the basis of the legal regulations, and especially those concerning VAT, to show the tax authorities that tax is not due. This applies in particular for proof of the bringing of the goods into a member country of the EU, with the VAT number or a personal tax liability exemption statement of the buyer.

5. Retention of property rights

5.1. The products that are supplied shall remain the property of PAL-TEC until full payment has been received in settlement of all claims arising out of the business connection between PAL-TEC and the orderer. The collection of individual claims in a current invoice and the statement of account and recognition of the same do not affect the right to retention of property rights. Payment is only regarded as made once the equivalent value has been received at PAL-TEC.

5.2. In the event of a resale of items that are subject to the retention of property rights, the orderer shall assign to PAL-TEC his claims with respect to the purchaser in the amount of the liability still owing to PAL-TEC; PAL-TEC shall accept this assignment. Regardless of the assignment and the collection rights of PAL-TEC, the orderer is entitled to a collection for as long as he meets his obligations with respect to PAL-TEC and circumstances do not arise in which the creditworthiness of the orderer is placed in question. At the request of PAL-TEC, the orderer is required to inform PAL-TEC of the details required for the collecting of the assigned claims and to inform his creditors about the assignment. In the event of a cash payment, PAL-TEC shall receive instead of ownership of the items with the reserved property right the right to the proceeds of the sale. The orderer undertakes to keep the proceeds of the sale separate and to pass them on to PAL-TEC when the claims fall due for payment.

5.3. The orderer is required to inform PAL-TEC immediately and to hand over the documents required for intervention in the event of a foreclosure being sought by - 2 - third parties on goods to which PAL-TEC has reserved its right of ownership.

5.4. If the orderer behaves in a manner that infringes the contract, and especially in the event of default on payment, PAL-TEC is entitled to take back the object of the delivery. No recourse can be made to the contract concerning the taking back of the object of the delivery unless PAL-TEC has explicitly stated this in writing. After taking back the object of the delivery to resell it, PAL-TEC is entitled to credit the proceeds of the sale against the liabilities of the orderer, after deducting the appropriate costs for the process.

6. Warranty and liability

6.1. Any products that demonstrably defective when supplied ex factory will be replaced at no charge or the corresponding invoiced amount will be credited at the choice of PAL-TEC if a complaint is made within a reasonably short time. In all such cases a cancellation or reduction in price is excluded. Returns of goods require the explicit and written approval of PAL-TEC and are done at the cost and the risk of the orderer. In the case of defects that are only noticeable once the product has been used, the period for making a complaint ends at the latest six months after the products left the warehouse at PAL-TEC.

6.2. PAL-TEC is not required to pay any damages to the orderer. This exclusion does not apply for damage caused by senior employees at PAL-TEC who acted with malice aforethought or with gross negligence. In particular, claims for damages arising from an impossibility of performance, from a delay in performance, from a positive breach of an obligation, from indebtedness at the time that the contract was concluded or from impermissible handling are hereby excluded. The orderer has to right to withdraw from the contract in such cases, but with the exclusion of all other claims.

7. Other

Austrian law shall apply to the contractual relationship arising from the object, with the exclusion of the "choice of law" rules. The application of UN purchase law is hereby specifically excluded. The sole court of law for all disputes arising directly or indirectly out of the delivery contracts and deliveries shall be the properly constituted and responsible court of law in Graz, inner city [Innere Stadt].

In the event of individual stipulations being (partially) unworkable, the legal validity of the remaining stipulations shall not be affected. It is hereby agreed that the unworkable clause shall be replaced by one that comes closest to the business intention in a legally permissible manner.