

TERMS AND CONDITIONS OF DELIVERY AND PAYMENT of Wessely Ges.m.b.H

1. Validity of Terms and Conditions

Unless expressly agreed otherwise in writing, all present and future business relationships with our customers, including but not limited to quotes, orders, acknowledgments of orders and call-forward notices shall exclusively be governed by these Terms and Conditions of Delivery and Payment (hereinafter the "Terms"). Once the customer has placed an order, he is deemed to have agreed with and be bound by these Terms. Any amendment of and modification to these Terms is valid only if these were expressly negotiated and confirmed in writing. We hereby expressly object to any deviating terms and conditions contained in the customer's forms.

2. Quotes, Delivery Time

- a) As a matter of principle, all our quotes are non-binding and without engagement. We are deemed to have accepted the customer's orders only if we confirm these in writing. If no specific date of delivery is agreed, indicated delivery times shall be non-binding.
- b) If it is necessary to negotiate the details of execution after an order was acknowledged, the delivery period commences only after the end of these negotiations.
- c) If a delivery period was agreed, the customer may assert claims due to expiry of the delivery period only at the end of a reasonable grace period of at least 14 days. In this event, the customer may only exercise the right to withdraw from the contract. Notice of withdrawal must be given by registered letter. Withdrawal is effective only for that part of the contract in respect of which we are in default. The customer may not assert any other or additional claims, including but not limited to damages.
- d) If the delivery period was exceeded due to lack of raw materials, strikes or force majeure, we may withdraw from the contract or from any non-performed part of the contract to the exclusion of all claims of the customer.

3. Measurements, Weights, Quantities Supplied

- a) The measurements and weights indicated in our quotes and acknowledgments of order are only approximate measurements and weights, and we reserve the right to change these later on.
- b) Excess or short deliveries up to 10% of the contract volume are permissible.

4. Contracts for On-Demand Deliveries

- a) If the customer does not call off deliveries pursuant to the agreed delivery schedule or within a reasonable period of time, we may withdraw from the contract after a grace period of 14 days has unsuccessfully expired, notwithstanding other claims.
- b) If a time limit for acceptance of the goods was agreed, we are not required to make deliveries after the expiry of that period. We will store any goods that are not taken over at the agreed point in time at the customer's risk and charge the customer a storage fee of EUR 50.00 per commenced calendar day. At the same time, we may either insist on performance of the contract or withdraw from the contract after a grace period of 14 days and realize the goods otherwise.

5. Terms of Payment, Prices

- a) If circumstances become known after we have acknowledged an order which adversely affect the customer's credit standing or if the customer does not timely fulfil obligations arising from other contracts he has executed with us, we reserve the right to insist on advance payments for all outstanding orders. In this event, we may also insist on immediate payment of all outstanding invoices, even if the customer has provided bills of exchange or checks in lieu of performance.
- b) Unless otherwise agreed in writing, all prices are ex works, exclusive of packaging. All stated prices are net prices denominated in Euros. Domestic invoices will separately state value added tax.
- c) Prices are calculated on the basis of present cost factors. We reserve the right to adjust prices if any changes in cost factors occur up to the time of delivery/service provision.
- d) Unless expressly agreed otherwise in writing, all invoice amounts charged for the supply of parts are immediately due and payable without any deduction within 14 days from the invoice date. The customer is deemed to be in default after expiry of that time limit.
- e) If the customer fails to make payment within the time granted for payment, we will charge default interest pursuant to Section 456 UGB at a rate of 9.2% above the base interest rate applicable from time to time. We reserve the right to assert a higher damage caused by default interest.
- f) It is expressly agreed that the value of the unit prices indicated in our quotes shall be stable. The continuing value of our prices will be calculated on the basis of the Consumer Price Index 2010 published by Bundesanstalt Statistik Austria or any index replacing the same. The reference index for this business relationship shall be the index figure published for the month in which the contract is concluded. Any increase or decrease up to 3% exclusive will be ignored. However, if this threshold is exceeded, the entire change will be fully effective. The new index figure underlying such a change of unit prices will then form the basis for the determination of further index fluctuations.

6. Shipment, Transfer of Risk

The risk will transfer to the customer once the goods are handed over to the carrier or forwarding agent or, if the customer does not take over the goods in due time, at the time when we offer the goods. Even if goods are sold freight prepaid, the risk will transfer to the customer once the goods leave the factory. We may choose the least expensive means of transport and dispatch route without incurring any liability.

7. Reservation of Title

- a) We shall retain title to the goods pending full payment of the purchase price. The customer may sell or process the goods only within the scope of the ordinary course of business. The goods may not be pledged or assigned as security.
- b) If the customer processes our goods, we shall acquire co-ownership of the product in proportion of the value of our goods compared to the value of the remaining processed goods.



- c) If the customer sells the product co-owned by us or our goods, the claim resulting from that sale shall be deemed assigned to us already at this point in time (possibly in proportion to our co-ownership share). The customer shall separate any compensation so received from his own assets.
- d) The customer may collect those claims in the ordinary course of business, although we reserve the right to revoke that authority at any time.
- e) If the value of the collaterals we are entitled to is more than one quarter higher than our claims against the customer, we will release corresponding collaterals at our own free election. An assertion of reservation of title will constitute withdrawal from the contract only if express notice to that effect is given by us.

8. No Assignment and Set-off

The customer may assign claims against us to third parties only with our express written consent. The customer may not set-off any counterclaim if that claim is challenged or not determined with legal effect.

9. Warranty

- a) The customer will lose his right to warranty, unless he promptly inspects the delivered goods and reports any deficiencies in writing no later than two weeks after the goods have arrived at the destination, specifying the nature of the deficiencies. Also hidden deficiencies shall be reported in writing no later than one week after discovery of a deficiency. As a matter of principle, that warranty is applicable only for non-installed machine components. Warranty claims cannot be asserted six months after delivery and become statute barred no later than four weeks after we have rejected a notice of complaint.
- b) When we have produced samples that are sent to the customer for inspection, we are liable only that the delivery, subject to corrections, if any, was properly carried out according to those samples.
- c) We must be allowed to identify a reported deficiency on site. The customer will lose his warranty claims if he changes the incriminated goods without our consent.
- d) If the goods become "off-specs" goods demonstrably due to our sole fault, after return of the goods we may at our discretion either rectify the deficiency free of charge, replace faulty goods free of charge, or credit the returned goods at their invoice value of the coating.
- e) Subject to tolerances customary in the industry, we warrant only that coatings feature the indicated layer thickness. In case of coatings, we warrant for the proper functioning of the lubricant, but not for its fitness for the desired purpose. The customer shall immediately examine submitted measurements, material specifications and the like.
- f) As regards drawings, we will acknowledge deficiencies in coating, coating material, coating geometry (partial coating) only if these deviate from a prototype or sample part released by the customer, subject to initial sampling, technical clarification, and release.

10. Liability

The customer is entitled to damages owing to non-performance only if the delay in delivery was caused by our intent or gross negligence. We are generally liable for damage only in case of intent or gross negligence, but not in case of minor negligence (except for personal injury).

11. Place of Performance and Jurisdiction

- a) Place of performance and place of jurisdiction for both parties shall be Korneuburg.
- b) Contracts shall exclusively be governed by and construed in accordance with Austrian law, to the exclusion of its conflict of law rules and the Vienna Convention (United Nations Convention on Contracts for the International Sale of Goods).

12. Severability

Should any term hereof be or become invalid in whole or in part, this shall not affect the validity of the remaining terms hereof. The parties undertake to replace the invalid term by a valid term that closest reflects the content and purpose of the invalid term.

Agreed:

_____, this _____

(Customer's authorized signature)