

GENERAL CONDITIONS FOR THE SUPPLY OF MACHINERY AND PLANTS N° A/1

1. OFFERS

Our offers and all the data therein included constitute only an approximate guide and shall not be binding. Weights, dimensions, capacities, prices, performance rating, descriptions indicated in catalogues, brochures, bulletins, advertisements, technical leaflets, price lists are mentioned for information only and shall not be binding too. We reserve the right to make any useful alteration to our machines and equipment without prior notice.

2. ORDERS AND ORDER CONFIRMATIONS

a) Acceptance

Orders shall not be binding on our Company unless they are accepted by our written order Confirmation and we receive a copy of this document countersigned by the Customer.

b) Modifications

Any modification, deletions or additions to our order Confirmation and/or our conditions of delivery must be in writing.

3. PRICES

a) Prices are quoted in EURO.

Our prices do not include any operation nor any undertaking not specifically indicated in our order Confirmation.

Prices are always quoted ex-works and exclude packing, transport, insurance and final commissioning at the works of the Customer. Insurance of the goods during the transport is made only upon specific request of the Customer and corresponding charges will be debited to him.

c) Should the Customer require the "quality control" of the good to be made through a Dutch or an International Control Organization, the corresponding charges for inspection and issuing of the final inspection Certificate will be debited to his account.

4. PAYMENTS

Payments are to be made in our favour.

Possible claims concerning the goods supplied do not authorize Customer to delay payment beyond the agreed terms, which are final.

A percent of the total in guarantee of the good operation of the machines or lines is not taken into consideration.

In substitution of that protection, the practice of bank guarantee will be offered.

In case of non-payment within the agreed terms, the seller shall have the right to consider the Purchaser in default and the payment terms agreed, no longer in force. In such a case, the Purchaser will be requested to settle immediately any balance remaining or to consider the contract null and void, the seller confiscating any amounts already received as a compensation for damages.

In any case, the seller may reserve the right to charge the Customer with interests at the same rate applied by the first national banks; that starting from the 15th day of the expiry date up to the date when payment is effected.

This is always subject to the provisions of the appropriate legislations.

5. RIGHT OF LIEN ON THE PROPERTY

All sales with deferred payment terms are always intended as sales effected with right to retain ownership of the property.

Such a lien shall remain in force until the total payment of the agreed amount is made; such is also the case when payment is totally or partially settled by drafts and these are renewed once or several times. The purchaser must always use the machines, subject to a lien, in the location stated in the Contract: namely, he cannot transport them to any other location, without our previous written consent. Alternatively, the Contract shall be considered null and void or Purchaser shall be deprived of any right under the terms of the Contract, at our option.

This, quite apart from any action taken under the appropriate civil and penal legislations.

The Purchaser must inform us immediately of any possible acts of sequestration or forced execution of the machines, subject to a lien. Failing this, the Purchaser will lose the right to the terms agreed under the Contract and will be responsible for damages.

6. DELIVERIES

All the deliveries are always intended ex-works, as for goods sold free destination and requiring installation.

Deliveries shall be considered once the goods have been handed to the carrier.

Delivery terms are never final, but just a lead time stated in our order Confirmation.

Delivery terms shall be conveniently extended for reasons that are beyond our will like delay of supply of parts needed or caused by acts beyond our control.

The delivery period begins from the day, on which the Purchaser has completed all his obligations for the final execution of the Contract, as, for example: the transfer of the advance payment with the order, the countersignature on the order Confirmation, the despatch of the samples and successively of the test materials on the dates laid down in the Order confirmation and especially the communication of all the technical data necessary for the execution of the order.

Should the delay in sending technical data and sampling exceed the agreed dates by 30 days, new delivery terms will have to be agreed

upon; however, in such a case, we reserve the right to modify the price and the payment terms as well. Failing this, we may consider the Contract cancelled and any advance payment made forfeited within the limits permitted by the law. This quite apart from additional damages due to purchase of materials and manufacturing costs already incurred.

In case of delays in the deliveries, we do not consider ourselves liable in any way direct or indirect damages except in those cases, where legislation excludes the validity of responsibility exoneration clause.

7. CLAIMS

a) The Purchaser must check the goods as soon as they arrive and lodge possible claims by a registered letter, according to the terms lay down by the law.

b) Any other method of communication shall not be valid to protect the Purchaser from spare parts by the Purchaser (or by third parties on his behalf) the forfeiture of his right to a claim.

c) Supplier is not responsible for cost made by factory acceptance or start-up of machinery and no claims can be made for any cost by malfunction of machines.

8. TECHNICAL ASSISTANCE SERVICE

a) Whatever the degree of assistance, the Purchaser must keep the necessary material and services ready (i.e.: test materials, light, electric power, water, vacuum, compressed air, steam, and so on) as well as anything necessary to ensure that the commissioning of the machine or machines and connected operations can start immediately on arrival of our technicians and can be continued without interruption until the end.

b) Return travel expenses by car, rail, air or sea (included the transport of luggage) as well as the expenses for the transfer from the hotel to the working place; station and so on are for account of Purchaser. This applies also to technical assistance for machinery still under guarantee.

c) Should the technical intervention be totally or partially for account of Purchaser and refer to:

- machinery no longer under guarantee

- testing or commissioning of machines or lines of machinery

- purchaser request in consequence of: breakdowns, damages, modification, tempering use of parts not supplied by manufacturer for any other reason, depending on the Purchaser technical assistance service will be debited to the Purchaser, as follows:

1) All travelling hours

2) All the time spent at the Purchaser's Factory and consisting of:

- all working hours, during the normal daily working time

- all the hours for inactive waiting time during a working day

- all the working hours beyond the normal daily working time

3) A daily allowance for each day spent away from our works. The charges will be in accordance with the civil calendar of our Country and working time in force in our works.

Machine down-time will not entitle the Purchaser to any compensation for damages, also when the technical assistance service is for our account.

9. SPARE PARTS

a) Prices are always intended ex-works, packing excluded.

Packing, transport and insurance expenses as well as those of clearance at destination

are for account of the Purchaser, also in case of free supply under guarantee.

b) Should we fail to receive shipping instructions, we have the right to despatch the goods, employing the quickest transport means (not the least expensive) and are also authorized to effect partial shipments, debiting the corresponding costs to the Purchaser.

10. GUARANTEE

a) We guarantee the good design of our machines and the good quality of the material used. The guarantee is valid for a period of 6 (six) months from the date of delivery, including the test-run if any.

It expires at the end of the 6 (six) months, even if the machines should not have been used by the Purchaser for any reason whatsoever.

The guarantee does not cover the electric parts and the cost of the manpower for any substitution made.

We undertake to repair or replace any faulty parts within the period of the guarantee.

The Purchaser's right to the guarantee will lapse if:

- the payments are in arrear

- the defects are due to normal wear or to negligence or inexperience of the machines have not been used in accordance with our technical instructions or have undergone modifications, repairs or substitution of other than the original ones.

b) The repairs and substitutions under guarantee will be affected by us in the shortest possible period in the place and with the means we shall consider most suitable.

c) Our accomplishment of the abovementioned points shall fulfil all our obligations deriving from the guarantee, relieving us of any law consequence particularly of the liability for direct and indirect damages.

11. EXTENSION

For any contingency not considered herein specific reference should be made to:

"General Conditions for the Supply and Erection of Plant and Machinery for Import and Export", prepared under the auspices of the UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (Geneva, March 1957) and issued in the official Bulletin No. 188 A.

12. COMPETENT COURT

For any possible dispute arising about the interpretation or execution of the clauses of this Contract, both parties shall elect exclusively the Court of 's-Hertogenbosch, renouncing expressly any other territorial jurisdiction.

13. CONTRACT EXPENSES

The following expenses shall be for Purchaser's account

- Taxes and fees for the registration of Contract, if any

- Charges for the formalities regarding:

a) Payment with deferred terms

b) Lien on the property

The Supplier

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According to the articles of Dutch civil legislation I/we declare to specifically approve of the clauses under the following points: 1 (Offers - right of alteration); 3 (Prices - item (a)); 4 (Payments); 5 (Lien of the property); 6 (Deliveries); 7 (Claims); 8 (Technical assistance service - items (b) and (c)); 9 (Spare parts); 10 (Guarantee); 12 (Competent Court); 13 (Contract expenses).