

General Terms of Business (valid 01.02.2002)

1. Validity

1.1. These general terms of business are valid for all transactions done with AURO.

1.2. Unless otherwise agreed, our terms of business as announced to the business partner are valid. Our business partner agrees that - in case of using other terms of business by himself - our terms are taken as basis in case of doubt, even if the terms of the contract partner stand uncontradicted. Contract fulfillment actions from our part are not valid as consent to contract conditions differing from our terms.

2. Offers

Our offers are not binding in every respect. The goods are subject to prior sale. The contract is considered to be concluded not before the dispatch of our written order confirmation. Plans, sketches and other technical information as well as folders, catalogues, samples or something like that remain the intellectual property of AURO.

3. Prices

Unless otherwise agreed, the prices are quoted FCA Bad Hall, including standard packaging. The pallets for sheet consignments are separately invoiced. All extra costs - for examples freight, insurance, export- importor other approvals as well as certifications - are payable by the purchaser. The purchaser also bears the costs for all types of taxes, imposts, fees and customs duties.

4. Delivery

4.1. **Delivery period:** Objective justified and reasonable changes of our service and delivery liabilities, especially reasonable exceeding delivery periods from our part, are considered to be accepted in advance.

4.2. **Insurance:** Our sales prices do not include the costs for delivery, assembly or installation. On request we do these services for additional charge. When the delivery is refused by our partner of contract, we are entitled to put the merchandise into our storage, for which we invoice a charge of 0,25% of the bill amount per each started calendar week and to insist on fulfillment of contract at the same time, or - to withdraw from the contract after fixing an adequate extension and to use the merchandise elsewhere; in this case a contract penalty in the amount of 10% of the invoice amount is considered to be valid, too. For the production as per order the fully purchase price has to be paid.

4.3. **Mode and route of shipment:** Depending of the agreed terms of delivery AURO selects the most favorable transit route. Additional costs incurred due to special transport requests of the buyer, for example for expedited shipments, express deliveries or an other special method of delivery, are at the customer's expense. Specific requests with regard to mode and route of shipment have to be made in time. The obligation to deliver is fulfilled when the merchandise has left the AURO factory or when AURO has advised that the goods are ready for shipment.

4.4. **Transfer of liability:** The transfer of liability take place according to the agreed Incoterms. Unless otherwise agreed, the only valid Incoterm is "FCA AURO Wien" The reference to common Incoterms is only for an easier communication; The exclusion of the UN-purchase right from this contract isn't concerned by that.

5. Technical information and documents

Technical documents such as drawings, descriptions, illustrations, as well as any data as to dimensions, weight or other characteristics, serves the purpose of imparting information and imply no guarantee assents. Where technical advance seems apparent, AURO reserves the right to make suitable modification. The product properties are those as shown on the AURO technical documents resp. in the AURO internal standard (Werksnorm) unless otherwise confirmed by AURO in written form.

6. Regulations at place of destination

The purchaser has to call AURO's attention to any local, legal or other regulations, especially standards, which relate to the execution of delivery as well as the compliance with security and registration regulations.

7. Prices and Payment

All prices are subject to change and do not include Value Added Tax. AURO-prices comply with the currently valid price lists and their supplementary pages. The purchaser is already obliged to the fully payment of the purchase price at conclusion of contract. The purchase price has to be paid within 30 days from invoicing date. Even for default of payment for which the purchaser is not responsible, we are entitled to invoice default interest with the amount of the current bank interest rate. Demands for compensation of higher interest are not affected. Every kind of offsetting against our claims with counter demands is impossible, unless AURO expressly accepts these ones in amount and in writing. Drafts are only accepted after prior written consent of AURO; any and all fees are to be borne by the customer. Drafts or cheques are only accepted by way of payment. Should the purchaser unfulfil a payment obligation to AURO, also from another order, AURO is authorized to declare all its outstanding accounts due and payable, even if other payment terms have been agreed upon. This is also effective for liability on bills of exchange. When the payment date has lapsed, payments are always charged as of the oldest due invoices. .

8. Place of fulfilment, legal court of jurisdiction

Place of fulfilment for payment as well as deliveries is the place of business of the company AURO Armaturen- und Rohrhandelsgesellschaft mbH in A1210 Wien, Julius-Fickerstrasse 87. For decision of all disputes resulting from this contract the court of competent jurisdiction at the headquarters of our company is only locally responsible. The Austrian material law is valid. The applicability of the UN-purchase law is excluded. The language of contract is German.

9. Proprietary rights

The goods remain the property of AURO until payments are completed. In assertion of the proprietary rights, a withdrawal from contract is only given if it's explained expressly. Should a third party attempt attachment of delivered article belonging to AURO, the purchaser has to call attention to the fact of AURO's ownership resp. co-ownership, and immediately notify AURO in writing, giving exact details such as case number, attachment date, petitioning creditor, his attorney and demanded amount. All expenses incurred in connection with protecting AURO's property are to be reimbursed completely by the purchaser.

10. Guarantee and Indemnification

After delivery the merchandise is to inspect immediately. Located defects are announced to the seller in writing immediately, but within 14 days after delivery at the latest by mentioning the kind and extent of the defect. Claims made later can not be acknowledged. In every case, returns of merchandise to AURO can only be made with AURO's prior written consent. If on his own behalf the purchaser effects modifications or repairs on the delivered articles or their components, AURO's guarantee is nullified. AURO's guarantee obligation is limited to replacement of the defective delivered goods. Covered defects are denounced after their discovery immediately. If a notice of defects isn't filed resp. not in time (within the period of guarantee at least), the merchandise is considered to be accepted. The assertion of claims for guarantee or compensation as well as the right to appeal against misunderstanding, because of defects, is excluded in these cases. The availability of a defect does not entitle the purchaser to repair it himself or by a third party, but AURO has to be given the possibility to improvement within an adequate period of time. If the defect is repairable, the guarantee is performed by repair of the proved faults free of charge within an adequate period of time. The repair is performed according to our option, also by replacement of the defective thing, within an adequate period of time. In these cases the claim to a price reduction is excluded.

Indemnification

Claims to indemnification in cases of alight carelessness are excluded; this is not valid for damages to persona. The injured party has to prove gross negligence. Demands to indemnification become invalid after 6 months after doing the service resp. delivery.

Excluded from the guarantee are: damages as a result of natural attrition, inadequate storage, disregard of working instructions, excessive stressing, as well as improper handling by the buyer or by a third party. Guarantee and liability claims become invalid after six months from receipt of the shipment. Liability for consequent damages is expressly excluded. AURO is not liable for other indemnity claims.

Product liability

Possible claims of recourses, which contract partners or third parties address to us from the title „product liability“ as defined by the Product Liability Law, are excluded, unless the party who is entitled to recourse proves that the fault was caused in our sphere resp. was made gross negligent at least.