

GENERAL TERMS AND CONDITIONS FOR DELIVERIES, WORK AND SERVICE

I. General

1. The following conditions apply to all of our consultations, offers, sales, deliveries and services and the total current and future privity of contract between Muehlbauer Technologies Sdn. Bhd. and our customer. Purchase conditions relating to our customer, which are completely or partly opposed to our conditions or the legal regulations, are hereby explicitly against our principles. They cease to be subject of the contract if we carry out the service in the awareness of the opposing conditions. The successive conditions are valid for all future business relationships, even if they are not repeatedly explicitly agreed, and as long as our customer has been aware of these due to a previous business connection.

2. According to this contract, verbal agreements are not possible. In individual cases, resulting in agreements deviating from our conditions, particularly with our representatives, these can only become binding through written confirmation.

II. Offer and completion of contract

1. Our offer always ensues without engagement. Contracts, even those at trade fairs or through our appointees, only originate in accordance with our written acknowledgement of order and not until this reaches our customer. Our advertising literature and brochures are not legally binding.

2. We reserve the proprietorship right and copyright for figures, drawings and calculations as well as for other documents. This also applies to those written documents, which are referred to as "confidential". Before our customer is entitled to pass these on to third persons, our customer must obtain our written confirmation.

3. The quality structure of the subject of matter of the contract is exclusively described in our offers, confirmation of orders and the documents associated with these, although this is not a guarantee according to Malaysian Law.

4. As long as guarantees are given, these are not guarantees according to Malaysian Law, but are understood by us as guarantee promises.

III. Deliveries and delivery periods

1. We shall not be held responsible for delays if the customer does not adhere to his/her duty to cooperate or fails to cooperate in time, in particular when he has to take care of magisterial authorizations, final plans, documentation upon the specification of the subject of matter of the contract, clarification of numerous technical details and prepayments.

2. If, subsequent to the drawing up of the contract, it appears that the competence of our customer to perform, e.g. through default of payment or suspension of payment, request for insolvency proceedings, the backup assigning of transfers of current assets, unfavorable information upon banking establishments, credit institutions or credit insurers, is demanded, we are entitled to refuse to provide our services and to withdraw from the contract and/or demand compensation, after the setting of a time limit with no effect for the yielding of a security in the form of a bank guarantee drawn by the bank or advance payment.

3. Our confirmed delivery periods are non-binding dates of dispatch. In the case of separable deliveries we shall be entitled to part deliveries and in the case of corresponding previous information, we shall be entitled to early deliveries.

4. In the case of an order which is to be called up, a satisfactory delivery period shall be valid, which may not be longer than 6 weeks. If manufacturing and certification appointments have not been agreed upon, we shall only be able to demand a legally binding finalization up to 3 months subsequent to the confirmation of the order. If our customer does not respond to our request within 3 weeks after the sending of our correspondence relating to this matter, then we shall be entitled to set an additional respite of 2 weeks. If remains without effect, we shall be entitled to compensation and/or to withdraw from the part of the contract which has not been fulfilled. The same principle applies when the delivery period has come to an end and the subject of matter of the contract or parts thereof have not been subscribed to or have not been delivered due to the running into debt of our customer.

5. As long as circumstances which are not caused by us, impede us, delay us or deem impossible the execution of our orders, prevail, shall we be entitled to postpone the delivery (or remaining part of the delivery or part-delivery) for the period of time equaling the delay, or withdraw fully or partly from the contract. In this case, the customer shall not be entitled to compensation. We shall not accept e.g. magisterial intervention, breakdowns, strikes, lockouts, the disruption of business due to political or economic factors, a shortage of raw materials or working materials, difficulties with providing energy supply, transport delays or inevitable occurrences, which affect either us, our subcontractors or those in outside companies, upon which the maintenance of our own business is dependent. The above is also valid when these factors occur at a point in time at which we are in default.

6. Our customer can only set an additional respite for delivery when the agreed delivery date has been exceeded by more than 2 weeks. This additional respite must be satisfactory and be at least 3 weeks. Subsequent to effectless expiry of this deadline, the customer shall be entitled to withdraw from the contract. The right to compensation from us for violating our obligation is only possible if we have acted negligently or caused injury to someone.

IV. Prices and payment terms

1. Our prices for delivery are "ex works" EXW according to incoterms 2000, excluding legally valid VAT (when introduced in Malaysia) as far as nothing different agreed.

2. In the case that changes of the basis for calculations through higher costs of labor and materials, an increase in the legally valid rate of VAT or other circumstances occur subsequent to the completion of the contract, we shall be entitled to increase the contract price in satisfactory relation to the changes of the basis for calculation which have occurred.

3. Invoices in the agreed currency are to be paid on net terms only within 30 days of the date of invoice.

4. Payments are first effectuated when we can definitely dispose of the sum. Bills of exchange and check payments shall only be accepted when booked and subsequent to special agreements being made. The customer shall always bear the costs of discounts and bills of exchange. If a bill of exchange has been agreed upon, so should the payment period of the validity not exceed 90 days commencing from the date of the invoice.

Part deliveries shall always be charged for immediately and each part must be paid for when requested, irrespective of the date of the last part of the total delivery.

6. Our customer only has the right to claim compensation if counter claims are deemed legally valid, are undisputed or recognized by us. In addition, the customer is only entitled to exercise his right to withdraw from the contract if a counter claim exists relating to the same aspect of the contract.

V. Proprietorship rights

1. We reserve the proprietorship of the purchase item (or subject of purchase) until all payments relating to the delivery contract have been made. In the case of behavior of a customer contrary to the conditions set out in the contract, in particular in the case of delayed payment, we shall retain the right to reclaim the purchase item. In the case of our retraction of the purchase item, this does not mean a withdrawal from the contract unless we have stated this in written form. In the case of a garnishment of the purchase item through us, there shall always be a withdrawal from the contract. If a buyer does not pay us the amount which we request, we reserve the right to garnish the purchase item and to sell it otherwise and from the sales price received we are entitled to subtract the cost of sale and to balance the trade account payable with this amount.

2. The customer is obligated to take care of the purchase item. In particular, the customer is obligated to insure this item at his own expense against damage resulting from fire, water and theft up to the value of it when it was new. For as long a period as maintenance and inspection is necessary, the customer must pay for this himself and ensure that this work carried out punctually.

3. In the case of seizure or other interventions of third persons, the customer must inform us in writing immediately, so that we can enter a claim in accordance with Malaysian Law. For as long a period as the third person is not able to reimburse us for the judicial and costs out of court then the customer shall be liable to pay for the shortfall.

4. The customer is entitled to sell the purchase item on in an orderly run of business. However, he transfers all claims to us at an amount of the grand total of the invoice (including VAT) which arise from the sale of the good to third persons, irrespective of whether the purchase item has been resold with or without modification. The customer is authorized to draft this claim even after the cession. Our authority to collect a claim remains unaffected. However, we are not obliged to collect the claim, for as long a time as the customer fulfils his payment obligations from the taken receipts, does not delay payment and does not begin bankruptcy proceedings or insolvency proceedings or is affected by a suspends payment. If this is the case then we have the right to demand that the customer makes the assigned claims and the debtors known, as well as all the necessary data relating to the seizure, issues all documents relating to this matter and inform the debtors (third persons) of this cession.

5. The manipulation or transformation of the purchase item through the customer shall always be carried out for us. In the case that the purchase item is manipulated with objects which do not belong to us, then we shall acquire the joint ownership of the new purchase item according to ratio of the value between the purchase item (at the invoice grand total including VAT) and the other manipulated objects at the time of the manipulation. The same applies to the manipulation of the originating item as well as for the purchase item delivered under preliminary provision.

6. In the case that the purchase item is inseparably intermixed with objects which do not belong to us, we shall acquire the joint ownership of the new item relating to the value of the purchase item (invoice total sum including VAT) and the other intermixed objects at the point in time of the mix. If the intermixing occurs in a way which leads to the item of the customer being the most important thing, then the customer, as agreed, shall transfer proportional joint ownership to us. The customer looks after the sole ownership or joint ownership which has originated for us.

7. The customer transfers claims against a third person to us, which arise from the link of the purchase item with a piece of land. This secures our claims against him.

8. We are obliged to de-allocate the securities as far as their receivable value by sale exceeds our claims by 10%. We reserve the right to decide which securities to de-allocate.

VI. Transferring of risks

1. The dispatch of the object of agreement arises through us "ex works" EXW at the customer's risk. This is also the case when the freight and other costs are to be carried by us. In all other respects the object of agreement will be insured by us purely through explicit, written instruction, against damage through transportation on account of our customer.

2. If the collection has been agreed upon and has not taken place within 8 days of the agreed appointment, then we shall dispatch the item by an economical means of our choice of dispatch on account of our customer.

3. The risk is transferred to our customer when the object of agreement is transferred to the customer, the first carrier or forwarding agent. This is also the case for individual part deliveries and in the case when we have carried the dispatch costs.

VII. Responsibility for defects

1. Customers' claims for defects are only be considered if they inform Muehlbauer promptly upon discovery of the defect by fax and registered post and arrange for Muehlbauer to inspect the alleged defect and carry out such other testing as Muehlbauer shall deem necessary.

2. If a defect within the purchase item exists, the customer is authorized to call for removing this subsequently or to receive a new non-defect item, unless the chosen manner can only be done with excessive high charges. The place of performance is the factory from which the item is delivered. The following wearing parts are not covered by a guarantee: expendable parts such as stencils, milling cutters, bearings, consumable supplies, metering devices and needles, contact equipment etc. after the expiration of the work time, guaranteed by the manufacturer.

3. If the subsequent removal of defects comes to nothing, the customer has the choice either to request a resignation or reduction.

4. We shall not be liable for defects caused by parts not supplied and delivered by us, modifications made without our written consent, repairs carried out by the Buyer or third party in an inappropriate manner or for normal wear.

5. We shall be held responsible within the legal regulations, as far as the customer makes claims for compensation, which are based on intentional or grave carelessness, including the intent of or grave carelessness of our representatives or auxiliary persons. As long as we are not accused of premeditated breach of contract, the responsibility for compensation shall be limited to the predictable, typically occurring damage.

6. We shall take responsibility according to the legal regulations if we culpably and significantly commit a breach of an obligation set out in the contract; but in this case the responsibility for compensation shall be limited to the predictable, typically occurring damage.

7. WE SHALL NOT BE EXPRESSLY LIABLE FOR CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, RECALL-COST, INCLUDING WITHOUT LIMITATION LOSS OF PROFIT AND PRODUCTION.

8. The responsibility for causing fatal injury, bodily injury or threat to the health of an individual remains unaffected; this is also the case for the mandatory responsibility according to the law for product liability.

9. As long as nothing deviating from this is decided upon, responsibility is not possible.

10. The statutory period of time for claims for defects is 12 month, calculated from the transfer of perils.

VIII. Joint liability

1. A liability which extends beyond that stated in paragraph VII (irrespective of the legal aspect relating to the asserted claim) is not possible. In particular, this is to be attributed to claims for compensation from faults upon completion of the contract, because of additional breaches of obligations or because of offence-related claims for the compensation for damage to property according to Malaysian Law.

2. As far as the responsibility for compensation for us is not possible or limited, can this also be attributed to the personal responsibility for compensation of our staff, employees, colleagues, representatives and auxiliary persons.

IX. Trade mark right

1. We have the right to copyright and industrial property rights in the drafts, drawings, software and appliances which have been prepared either by us or by third persons, even in the case that our customer has accepted the costs for the above.

2. We are not aware of any intellectual property rights of any third parties, which would oppose the sold equipment. However, we shall not be liable for any claims resulting from an infringement of any intellectual property right in the country of destination.

X. Additional clauses

1. Only Malaysian Law shall apply to our contracts. The application of the UN convention on contracts concerning international purchasing is not possible.

2. We reserve the right to process data fulfilling the requirements of the Malaysian data protection laws, which we have received from our customer as a result of a business relationship. This is also valid for the credit insurers so that the necessary data for the credit insurance can be conveyed.

3. Assigning claims, which our customer transfers to us resulting from a business relationship, is not possible.

4. As long as nothing additional arises from the confirmation of the order, our place of business remains our place of performance.

5. In all cases, the court of jurisdiction for all future claims relating to the business including those concerning bills of exchange, checks and other documents is the court which is responsible for the place of performance of the payment. The Seller reserves the right to settle all disputes of this contract at either in the Malaysian Courts or an Arbitral Tribunal composed of three Arbitrators and held under the Rules of the Kuala Lumpur Centre for Arbitration in Malaysia under Malaysian Law.

6. Should one of the above conditions be rescinded then the effectiveness of the clause and of the contract shall remain unaffected. Any clauses which become effectless shall be substituted for new rules which have as their aim the same degree of economic success. As long as clauses are not part of the content of the contract, in this respect the content of the contract shall go by the legal regulations.

Muehlbauer Technologies Sdn. Bhd., Melaka, Malaysia

www.muhlbauer.com

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