

General Conditions of Contract and Supply

Glutz Ltd., 4502 Solothurn, Switzerland

1. General

1.1 These general conditions of supply and performances shall be binding on all supplies of Glutz. Any conditions stipulated by the customer which are in contradiction to these general conditions of supply shall only be valid if expressly acknowledged by Glutz in writing. Offers of Glutz which do not stipulate an acceptance period shall not be binding.

1.2 All agreements and legally relevant declarations of the parties to the contract must be in writing in order to be valid.

1.3 Orders shall be deemed to have been accepted, provided all relevant technical and commercial details have been settled, upon receipt of Glutz's written order acknowledgement or the execution of the supplies of Glutz.

2. Scope of Supplies and Services

2.1 The supplies and services of Glutz shall be executed either in accordance with customer's order or in accordance with the order confirmation of Glutz.

2.2 Supplies exceeding order values of CHF 10.000.-- are inclusive freight charges for normal freight delivery. Glutz shall have the right to decide the way of despatch according to the nature of the supplies. The freight charges and postage for each express parcel or express letter and any direct despatch of goods shall be separately invoiced. Glutz reserves the right to charge part of the freight costs for bulky material exceeding a length of 2 meters.

2.3 For small orders up to CHF 100.-- a fee of CHF 20.-- shall be charged with each order.

2.4 Packing shall be charged at actual, i.e. for each cardboard box CHF 2.50 shall be invoiced. Payment for cases shall be deferred provided they are returned within 4 weeks carriage paid and in proper condition. Special packing requested by customers shall be charged separately.

2.5 The return of delivery requires the explicit consent of Glutz. A handling fee of 50% of the order value shall be charged. Any repair work shall be charged at actual costs.

3. Plans and Technical documents

3.1 Unless otherwise agreed upon, brochures and catalogues are not binding. Data provided for in technical documents

are only binding in so far as having been expressly stipulated as such in writing.

3.2 Glutz retains all rights to technical documents. The customer recognises these rights and will not make these documents available to any third party, either in whole or in part - without the previous written consent of Glutz.

4. Prices

4.1 Unless mentioned otherwise in the offers or order confirmations of Glutz, all prices shall be deemed to be net, excluding Swiss VAT, if any, ex works (INCOTERMS 2000), excluding packing, without any deduction whatsoever.

4.2 Glutz reserves the right to adjust the prices in case the delivery time has been subsequently extended due to any reason stated in Clause 6.2, or any documents furnished by the customer were not in conformity with the actual circumstances, or were incomplete.

5. Terms of payment

5.1 Unless agreed otherwise in the offers or order confirmations of Glutz, payments shall be effected within 30 days from the date of invoice.

5.2 Payments shall be made at Glutz's domicile, without any deduction for cash discount, expenses, taxes, levies, fees, duties, and the like.

5.2 If the customer delays in the agreed terms of payment, it shall be liable, without reminder, for interest with effect from the agreed date on which the payment was due at a rate of 4 per cent over the current discount rate of the Swiss National Bank. The right to claim further damages is reserved.

6. Delivery time

6.1 The delivery time shall start as soon as the contract is entered into, all official formalities have been completed, payments due with the order have been made, and any agreed securities given and the main technical points settled. The delivery time shall be deemed to be observed if by that time Glutz has sent a notice to the customer informing that the supplies are ready for dispatch.

6.2 The delivery time is reasonably extended:

a) if the information required by Glutz for performance of the contract is not re-

ceived in time, or if the customer subsequently changes it thereby causing a delay in the delivery of the supplies or services;

b) if hindrances occur which Glutz cannot prevent despite using the required care, regardless of whether they affect Glutz or the customer or a third party. Such hindrances include, but shall not be limited to, epidemics, mobilisation, war, revolution, serious breakdown in the works, accidents, labour conflicts, late or deficient delivery by subcontractors of raw materials, semi-finished or finished products, the need to scrap important work pieces, official actions or omissions by any state authorities or public bodies, natural catastrophes, acts of God;

c) if the customer or a third party is behind schedule with work it has to execute, or with the performance of its contractual obligations, in particular if the customer fails to observe the terms of payment.

6.3 If the despatch of the supplies must be delayed by request of the customer, Glutz shall have the right to charge storing fees starting one month from the date of despatch of the written notification that the supplies are ready for despatch. The storing fee shall be 1% of the value of the supplies stored for each full month or part thereof. The right to claim further damages is reserved.

6.4 Any delay of the supplies or services does not entitle the customer to any rights and claims other than those expressly stipulated in this Clause 6. This limitation does, however, not apply to unlawful intent or gross negligence on the part of Glutz, but does apply to unlawful intent or gross negligence of persons employed or appointed by Glutz to perform any of its obligations.

7. Passing of benefit and risk

7.1 The benefit and the risk of the supplies shall pass to the customer according to the INCOTERMS 2000.

7.2 If dispatch is delayed at the request of the customer or due to reasons beyond Glutz's control, the risk of the supplies shall pass to the customer at the time originally foreseen for delivery ex works. From this moment on, the supplies shall be stored and insured on the account and at the risk of the customer.

8. Inspection and acceptance of the supplies / services

8.1 As far as being normal practice, Glutz shall inspect the supplies and services before dispatch. If the customer requests further testing, this has to be specially agreed upon and paid for by the customer.

8.2 The customer shall inspect the supplies and services within 5 days from the date of receipt and shall immediately notify Glutz. If the customer fails in doing so, the supplies and services shall be deemed to have been accepted.

8.3 Having been notified of the deficiencies according to Clause 8.2, Glutz shall as soon as possible remedy them, and the customer shall give Glutz the possibility of doing so.

In the case of supply and/or service taking place at a location other than that recognised on the conclusion of the contract, customer carries the occurring additional expenses

8.4 The performance of an acceptance test as well as laying down the conditions related thereto requires an individual agreement.

8.5 All completed supplies and performances remain the property of Glutz AG up to the settlement of all claims, in particular balance claims. This also applies if payments were made on specially designated claims.

9. Erection

If Glutz undertakes the erection or the supervision of the erection, the General Conditions of Erection of Glutz shall apply.

10. Reservation of title

10.1 Glutz shall remain the owner of all supplies until having received the full payments in accordance with the contract. The customer authorises Glutz upon conclusion of the contract and if so provided in the contract or if the customer faces problems in fulfilling the payment terms, to enter or notify the reservation of title in the required form in public registers and to fulfil all corresponding formalities.

10.2 During the period of the reservation of title, the customer shall, at its own cost, maintain the supplies and insure them for the benefit of Glutz against theft, breakdown, fire, water and other risks. It shall further take all measures to ensure that the Glutz's title is in no way prejudiced.

11. Guarantee, liability for defects

11.1 The guarantee period is 12 months. It

starts when the supplies leave the works. If dispatch is delayed due to reasons beyond Glutz's control, the guarantee period shall end not later than 30 months after Glutz's notification that the supplies are ready for dispatch.

11.2 For replaced or repaired parts the guarantee period starts anew and lasts 6 months after replacement or completion of the repair, but not longer than the expiry of a period being double to the guarantee period stipulated in the preceding paragraph.

11.3 Excluded from Glutz's guarantee and liability for defects are all deficiencies which cannot be proved to have their origin in bad material, faulty design or poor workmanship, e.g. those resulting from normal wear, improper maintenance, failure to observe the operating instructions, excessive loading, use of any unsuitable material, influence of chemical or electrolytic action, changes, replacements or additions and services by third parties which do not comply with the quality specifications of Glutz, or erection work not undertaken according to the erection instructions of Glutz, or resulting from other reasons beyond Glutz's control.

11.4 The guarantee expires prematurely if the customer or a third party undertakes inappropriate modifications or repairs or if the customer, in case of a defect, does not immediately take all appropriate steps to mitigate the damage and give Glutz the possibility of remedying such defect.

11.5 Upon written request of the customer, Glutz undertakes at its choice to repair or replace as quickly as possible any parts of the supplies which, before the expiry of the guarantee period, are proved to be defective due to bad material, faulty design or poor workmanship. Replaced parts shall become Glutz's property.

11.6 Express guarantees are only those which have been expressly specified as such in the order acknowledgment or in the specifications. An express guarantee is valid until the expiry of the guarantee period at the latest.

11.7 The customer is aware that according to the present state of the art software cannot be totally error-free. Any guarantee claims by the ordering party in the case of not immaterial defects are therefore regularly satisfied when the ordering party is shown a reasonable possibility for fault avoidance or circumvention. Insofar as a software defect cannot be rectified in this way, and cause is given for a program correction, the guarantee claim is restricted to the provision of supplementary

software through the notification of the Internet access data for the purpose of a download with installation instructions. The actual download and installation are carried out by the customer. In no case is Glutz AG obliged to make a special contractual agreement for the sending of on-going program developments (Updates und Upgrades).

12. Exclusion of further liability on Glutz's part

All cases of breach of contract and the relevant consequences as well as all rights and claims on the part of the customer, irrespective on what ground they are based, are exhaustively covered by these general conditions of supply. In particular, any claims not expressly mentioned for damages, reduction of price, termination of or withdrawal from the contract are excluded. In no case whatsoever shall the customer be entitled to claim damages other than compensation for costs of remedying defects in the supplies. This in particular refers, but shall not be limited, to loss of production, loss of use, loss of orders, loss of profit and other direct or indirect or consequential damage. This exclusion of liability, however, does not apply to unlawful intent or gross negligence on the part of Glutz, but does apply to unlawful intent or gross negligence of persons employed or appointed by GLUTZ to perform any of its obligations.

This exclusion of liability does not apply as far as it is contrary to compulsory law.

12.1 Guarantee claims according to number 9 become statute barred within the 12 months following the passing of risk.

12.2 Claims by Glutz AG against the customer are agreed in special contracts.

12.3 A suspension of the Statute of Limitations with respect to claims made against Glutz AG is only effected through negotiations over the claim if the contractual obligation is undisputed, recognised in writing or legally valid.

13. Jurisdiction and applicable law

The place of jurisdiction for both the ordering party and Glutz is the head office of Glutz AG, Solothurn. Glutz is however authorised to take legal action at the place of the ordering party.

The contracts of sale are subject to the Vienna convention (CISG), liability for consequential damage and loss in profit is excluded.

11/2007