

This English translation of the authentic German text serves mainly information purposes.
In the case of dispute the German text shall prevail.

GENERAL BUSINESS CONDITIONS

for Guarantees for Stock in Commission (G 7a),
Use of Machinery (G 7b) and Advances (G 7c)
(April 1999)

Guarantor, Agent, Terms of Contract

§ 1

According to the Export Guarantees Act and the decree based thereon (as applicable at the time) the Federal Minister of Finance is authorized to assume liabilities on behalf of the Republic in Euro, Austrian Schillings or in another currency. An assumption of liability does not constitute a prejudice for approvals which may legally be required.

Oesterreichische Kontrollbank Aktiengesellschaft is authorized to make and receive all declarations on behalf of the Republic in connection with the assumption of liability. Declarations made to Kontrollbank are deemed to have arrived at the Republic on the day they arrive at Kontrollbank. The same applies to all payments to be effected according to the following regulations.

Applications are to be filed in writing or by electronic means. Written form means in the original, by telex or telefax. In the case of dispute the burden of proof is on the respective sender; he shall also be held liable for any abuse of a means of communication.

Provided the policy does not contain any supplementary or differing regulations, the provisions set forth in the following shall be deemed to constitute the terms of contract.

Object and Scope of the Guarantee

§ 2

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| Guarantee for stock in commission | (1) | 1. The guarantee G 7 a (guarantee for stock in commission) covers the integrity of goods kept by you as stock in commission abroad, |
| Guarantee for Use of Machinery | | 2. the guarantee G 7 b (guarantee for use of machinery) covers the integrity of machines and equipment which you possess abroad for the performance of legal transactions abroad, |
| Guarantee for advances | | 3. the guarantee G 7 c (guarantee for advances) covers the integrity |

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of your rights from cash deposits, bonds or other advances made abroad in the context of legal transactions

up to the maximum amount specified in the policy.

- (2) The guarantee does not cover:
1. Interest;
 2. advances arising in the context of the delivery of goods which are subject to the regulations of the Federal Statute on the import, export and transit of war materials or to those of the Statute on security control.
 3. costs which usually arise in the course of the legal transactions covered by the guarantee in your business or in the business of your agents.

Duration and Termination of the Guarantee

§ 3

- (1) In the case of guarantees having a final maturity the lifetime of the guarantee is specified in the policy.

In the case of revolving guarantees the lifetime of the guarantee is six months and will be extended for additional six months at a time unless terminated in due time.

- (2) You are entitled to terminate the guarantee at any time in whole or in part by registered letter, thus waiving your claims.
- (3) The Republic is entitled to terminate the guarantee with immediate effect and under forfeiture of all your claims by registered letter, if you have not paid the premium within one month at the latest upon a written reminder, unless you can prove that you have been prevented from payment by force majeure.
- (4) In the case of revolving guarantees, the Republic is furthermore entitled to terminate the guarantee by registered letter,
1. at the prolongation dates specified in the policy, subject to a period of notice of one month;
 2. with immediate effect if bankruptcy proceedings have been started on your assets or were rejected due to lack of funds.

Uninsured Percentage and Percentage of Cover

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§ 4

Percentage of cover If you are to participate in any loss, the uninsured percentage shall be specified in the policy. This uninsured portion determines the percentage of cover.

Obligations of the Policyholder

§ 5

You are obligated to

- Obligation to report**
1. take all steps at all times to protect the Republic from damage and to report without delay, at the latest, however, within one month upon knowledge, on any circumstances which have come to your knowledge and which may jeopardize the due performance of the legal transaction or the right covered by the guarantee unless these circumstances may be deemed notorious;
 2. provide at any time information on the details and the status of the legal transaction or the right and disclose your and your agents' books and records to the extent necessary for the assessment thereof;
- Notification of the book value**
3. notify half-yearly in advance, at the latest on the prolongation date, the highest book value to be expected of the machines to be used or of the stock on commission, in the case of revolving guarantees;
- Notification period**
4. notify in writing without delay, but at the latest within two months (notification period) upon the occurrence of a loss according to article 6;
 5. comply with instructions without delay; you may be instructed at any time in the case of a loss becoming evident or actually occurring.

Claims

§ 6

- (1) An application for the admission of a claim shall be submitted in writing; the documents required for the assessment of the application shall be enclosed. The claim will be accepted with declarative effect if you have proven that a fact according to section (2) has occurred.
- (2) Facts are, if for direct or indirect political reasons,
 1. the goods kept as stock in commission abroad,
 2. the machinery and equipment abroad,
 3. advances made by you abroad with respect to legal transactions

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are destroyed, withdrawn or not paid back.

Exclusion of Liability

§ 7

- (1) Liability is excluded, if
 1. you have made false statements in the application for the guarantee either deliberately or by gross negligence ;
 2. you have violated a stipulation of the guarantee either deliberately or by gross negligence;
 3. losses have occurred for which you or your agents are responsible;
 4. you have violated domestic or foreign legal regulations, unless you can prove that the occurrence of the loss has not been caused by that violation;
- (2) If the exclusion of liability is based on circumstances which have occurred or become apparent only after the admission of the claim, the admission will be revoked.

Computation of the Compensation due under the Guarantee

§ 8

- (1) The computation of the compensation due to you will be based
 1. on the book value as stated in your last final balance sheet before the fact has occurred in the case of guarantees G 7 a and G 7 b. Any changes after the date of this balance sheet until the occurrence of the fact shall be considered in accordance with the applicable rules of accountancy; if you are not obliged to draw up a balance sheet, the value will be assessed in accordance with the principles of due accounting;
 2. on the value of the advances made in the case of guarantees G 7 c.
- (2) Conversions shall be effected either at the fixed rates of the Currency Union or at the reference rates published by the European Central Bank on the day of the application for the admission of the claim.
- (3) If required there shall be a reduction to the maximum amount of the guarantee.
- (4) The remaining amount shall be considered in proportion to the book value according to section (1) subsection 1 or to the value of the

Conversions

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Proportion of cover	advance according to section (1) subsection 2 (proportion of cover).
	(5) Payments received after the fact shall be deducted to the extent of the proportion of cover, regardless of their declared use, as well as any revenues resulting from the disposal of assets or securities and any amounts to be excluded in accordance with article 7.
Compensation	(6) The compensation due under the guarantee results after deduction of the uninsured percentage.
Proportion of repayment Proportion of cost refund	(7) The proportion of cover less the uninsured percentage results in the proportion of repayment and in the proportion of refund of costs.

Maturity of the Compensation due under the Guarantee

§ 9

The compensation is due simultaneously with the admission of the claim.

Obligations of the Policyholder after Admission of the Claim

§ 10

You are obligated to

Assignment to the Republic	1. assign your receivables to the extent of the admission to the Republic before payment of the compensation and to take all legal steps required to this effect;
	2. take all steps necessary to enforce the claims in your own name but with the approval of the Republic, provided they are not represented by the Republic itself;
	3. comply with instructions to undertake specific recovery measures;
Repayment obligations	4. transfer to the Republic all receipts before deducting any commission or bank fees to the extent of the proportion of repayment, regardless of their declared use.

Any other financial benefits, such as interest, interest on interest or default interest paid for the time after the payment of the compensation or any additional revenue resulting from the disposal of goods shall be likewise remitted.

Refund of Costs

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§ 11

Cost refund Expenses or losses occurring in connection with the enforcement of your claims will be refunded to the extent of the proportion of cost refund if the preconditions for the admission of a claim exist or a claim has already been accepted and the respective measures were taken in accordance with the General Business Conditions, upon instruction or with the approval of the Republic.

Fee for Handling the Application and Premium

§ 12

Handling fee (1) The fee for handling the application is 0.1 % of the value of the transaction for which cover is applied, but not less than 10 Euro and not more than 720 Euro or the respective countervalue in Austrian Schillings. It is due to be paid immediately upon receipt of the debit note, even in the case of the rejection of an application.

Premium (2) The premium is determined in the policy.

(3) In the case of guarantees having a final maturity the premium is computed on the maximum amount of the guarantee with regard to the premium rate and the risk period of the transaction assumed to be at least two calendar quarters. The risk period is counted in whole calendar quarters rounded upwards.

The premium is in general payable at the acceptance of the policy ("up front").

(4) In the case of revolving guarantees the premium is computed from the book value notified in accordance with article (5) subsection 3 and debited half-yearly in advance for immediate payment.

If the book value is not notified in due time, the computation of the premium shall be based on the maximum amount of the guarantee.

Default Interest

§ 13

Default interest If amounts due to the Republic - premium, refunds or repayments due to a revocation of the admission of a claim - are not paid immediately, default interest computed at a rate of 300 basis points above the variable interest rate of the Export Financing Scheme of Kontrollbank may be debited.

Assignment of the Policy

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§ 14

Assignment to third parties

The first assignment of the policy to a bank needs no approval, but requires notification in writing by you and by the assignee. Any other assignment - except to Kontrol bank – needs the written approval of the Republic.

Your obligations towards the Republic are not affected by any assignment.

Enforcement of the Claims by Legal Action and Prescription

§ 15

Prescription

(1) An application for the admission of the claim must be filed within three years after the guarantee expired, or within three years upon the occurrence of a fact according to article 6 in the case of revolving guarantees; otherwise you lose your rights.

Legal action

(2) If the decision of the Republic is not in accordance with your application, you are entitled to take legal action in the ordinary courts of Austria within three months upon the date you were notified of the decision, otherwise you lose your rights.

Acceptance of the Policy

§ 16

The policy is deemed accepted and legally effective if it has not been returned within one month upon receipt.

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Explanatory Notes on the Types of Guarantees

1. Guarantees to cover political risks arising from the placing of stock in commission abroad by exporters (guarantees for stock in commission G 7 a);
2. guarantees to cover political risks arising from the use of machinery and equipment by exporters for the performance of legal transactions abroad (guarantees for the use of machinery G 7 b);
3. guarantees to cover risks arising from cash deposits, bonds or other advances of exporters which are made abroad in the context of legal transactions (guarantees for advances G 7 c).