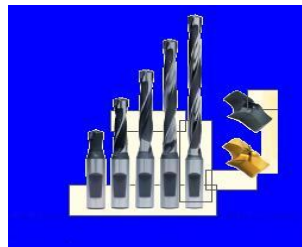


MACHINE PROPOSAL

January 21, 2009

High Speed-High Performance

Tools Available



Proposal No. 224032009

Kinetic Contact UAE

Johann Stangl

Mob. +971-50-1992501

Email salesuae@kineticuae.ae

Dear Sirs,

Thank you for the opportunity to submit a proposal for a Tube Sheet Drilling and Milling machine for your factory. The features include.

- Drilling up to 50 mm in full material
- Reaming
- Taping
- Grooving
- Slotting
- Milling surface
- Boring bar

As well as all operations in Duplex and Super Duplex and Steel, K4000 machine is the established benchmark in the Kinetic line of Tube Sheet and Cutting Machines. This machine includes numerous technical break thru's and is protected by many patents with more patents pending.

Latest developments have improved the K4000 milling capacity and a part cut and milled on the Kinetic K4000 is shown below.

The machines have also been upgraded to allow for a 24 automatic tool-changer to be fitted to the gantry and travel with the main torch carriage and spindle assembly. This machine has also had the clamp foot upgraded from pneumatic clamping a servo controlled ballscrew, as previously implemented on the K5000 machines. This patent pending features greatly enhances control of clamping and improves depth drilling, retract time, processing time and force control. These features can give performance improvements of up to 40%.

The Kinetic K4000 machine has been the only combination machine that has been able to pass Caterpillars Paving Products stringent accuracy tests. The ability to pass these tests is testament to the design and components used on the Kinetic combination machines. A significant part of meeting this accuracy test is from the linear guide-ways which are used on all axes. Additionally the precision hardened and ground rack used for the X and Y axis.

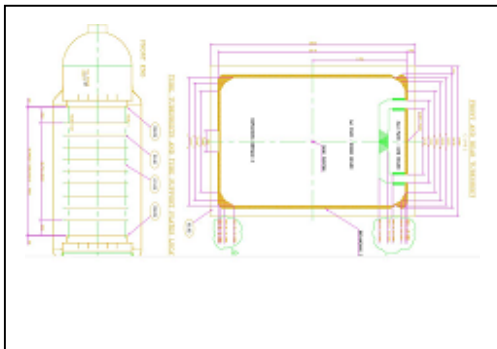
Just as all quality machine tools have fully protected ways and drives, the engineers at Kinetic believe a plasma cutting machine with a machine tool spindle fitted also requires fully protected drives and guides. The Kinetic K4000 includes fully protected linear ways and drives for all the axes, to provide a clean operating environment for the linear bearings and rack and pinion drives. No other combination machine supplier offers this level of guide and drive protection.

The machine proposal includes the Items listed below with options to configure the machine to your exact requirements.

- Item 1 Kinetic K4000 Machine with 4.1 m Drilling Width
- Item 2 Machine Controller
- Item 3 Machine Control Program License
- Item 4 Main Tool Carriage for the Spindle and up to Four Additional Lifters
- Item 5 Machine Rails For 6.0m Cutting
- Item 6 20 Hp Spindle Assembly(Multi Spindle Available)
- Item 7 Servo Controlled Clamp Foot
- Item 8 Thru Spindle Cooling and Plate Wash System
- Item 9 Laser Pointer
- Item 10 Transport
- Item 11 Installation and Testing
- Item 12 On Site Training
- Item 13 Warranty
- Item 14 Cutting Table Engineering Drawings
- Item 15 CAD/CAM Interface and Nesting Software License

PRICE FOR MACHINE

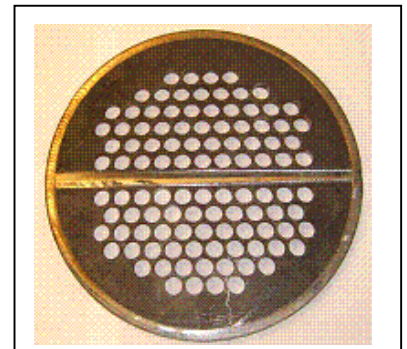
Thank you for the opportunity to forward this proposal to you. Please contact me if you have any further questions.



Tube Sheet 22000 Holes Drilled in 38 Hours
Stack Drilling for Baffle Plates



Doha Airport Roof Support
Circumference Milling, Slotting,



Heat Exchanger Plate
Reaming Grooving

Finished Part Completed on a Kinetic K4000 Combination Machine

Johann Stangl

Johann Stangl

Marketing Manager Middle East

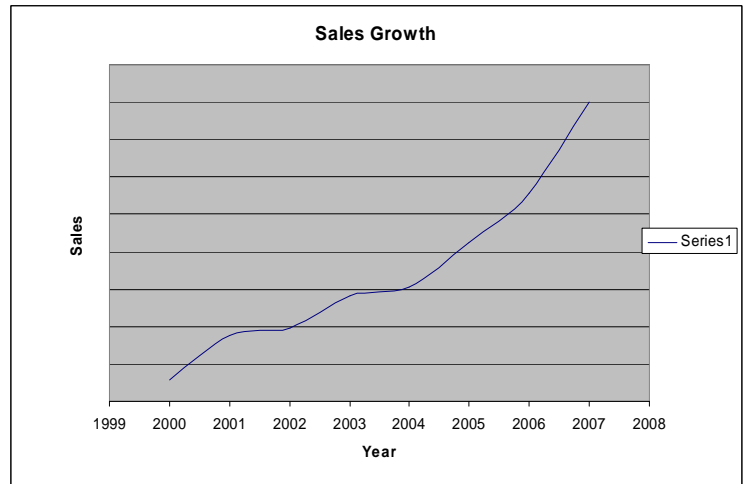
THE KINETIC ADVANTAGE

The Kinetic K4000 machine is established benchmark in the Kinetic line of plate drilling and machines. This machine includes numerous technical break thru's and is protected by many patents with more patents pending.

Since the first drilling and cutting machine was installed in 1999, Kinetic has established itself as the premier high performance and highly reliable combination machine.

As shown on the adjacent graph, sales are increasing at around 50% per annum.

The establishment of Kinetic as a leader in the combination drilling and cutting machine has largely been due to the research that continues with every machine built and the commitment to customer support following installation.



IMPROVING THE FINANCIAL RETURN

Kinetic is a company dedicated to designing and manufacturing the highest specification plate processing machines and the associated software.

At Kinetic we believe our plate cutting machines are the best available in accuracy, reliability and functionality.

The Kinetic advantages are:

- Use of technology
- Technical support
- Customer satisfaction

The following pages provide a brief overview of the Kinetic machines features.

When comparing the financial return of one cutting machine from another, it may appear that all things are equal. This is largely due to the commonality of various primary cutting systems and the associated common process variables.

An example is the use of common plasma systems, which have the same cutting speeds under the same conditions.

However there are substantial numbers of areas where direct comparisons can be made. These include:

- Research and development resulting in numerous patented features on the Kinetic machine which provide real machine performance advantages including patented linear drive system, patented bevel which allows for both plasma and oxy fuel bevel cutting and a pneumatic breakaway in the bevel and patent pending on other features
- Integration of multiple tools on one machine
- Unmatched machine accuracy and repeatability
- Ease of use and the level of machine on board diagnostics
- Maintenance requirements and cost of spare parts
- On line direct customer support from the machine to the Kinetic engineers

We believe the Kinetic range of machines is unmatched for all of the above.

“It would be hard to find a site that had purchased a Kinetic machine then subsequently purchased a competitors machine”

MACHINE DESIGN



K4000 shown at Descon Plant in Hamriyah, UAE

Solid Drilling & Milling Table 6 m x 4 m

Providing a machine capable of producing consistent accurate parts begins with the machine design. The machine must be extremely rigid, not too heavy: so the machine is able to accelerate quickly, and the machine must have very smooth precise travel.

The innovation and advanced engineering designs of the Kinetic machines, combined with the uncompromising use of the highest specification components has resulted in machines with optimal cutting accuracy, smooth travel and a long maintenance free life.

Features of the Kinetic Machine design:

- Simplicity by design
- Successful implementation of modern technology to the machine
- Rigid machine design capable of withstanding high vertical loads generated during high speed drilling
- Highest specification **linear guides**, drives and control system
- Dual long axis drive
- **Full guide-way and drive protection on all axes** to prolong drive and guide life
- All service supply **on all axes** through cable track (drag chain)
- Air conditioning of machine electronics
- All components are standard and are available directly from the component manufacturer

ACCURACY AND REPEATABILITY

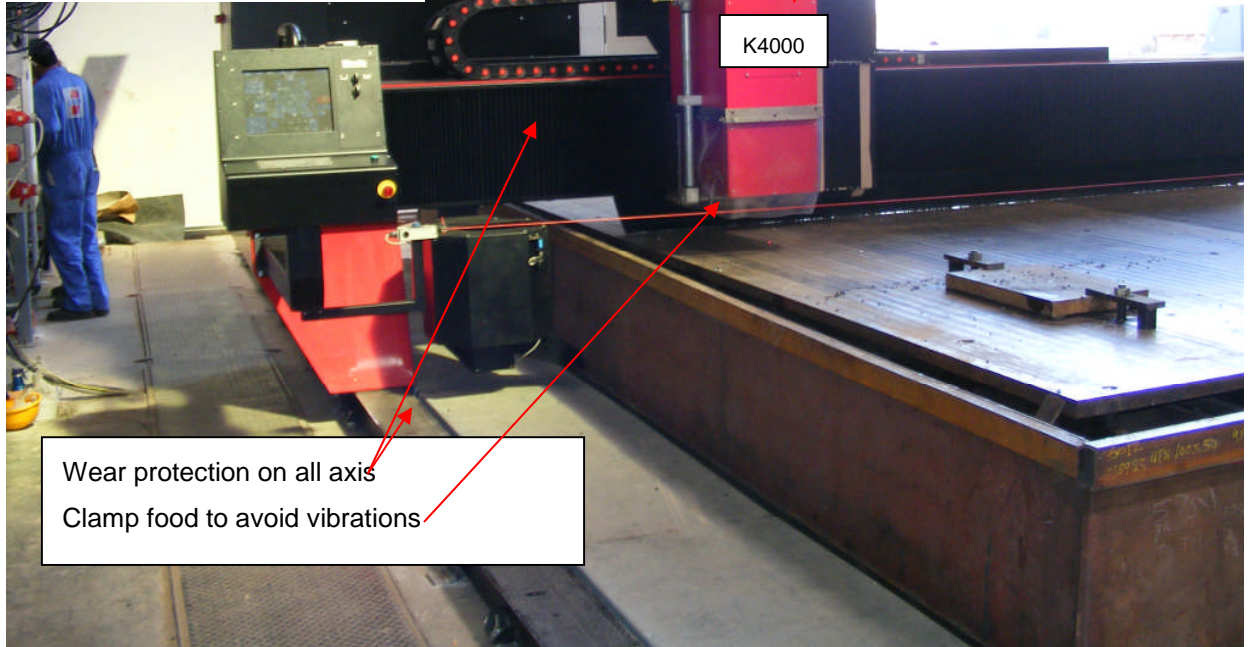
The accuracy and repeatability demanded of modern plate burning machines is increasing, as customers demand closer part tolerances and better cut-quality. This is accentuated by the development of fine plasma systems, which in some applications can have part accuracies and cut qualities approaching lasers.

The primary factors that affect the accuracy of a machine (not process) are:

- Machine design
- Drive system
- Linear guiding system

Unrivalled accuracy: The Kinetic K4000 combination machine has been the only combination machine that has been able to pass Caterpillars Paving Products stringent accuracy tests. The ability to pass these tests is testament to the design and components used on the Kinetic combination machines. A significant part of meeting this accuracy test is from the linear guide-ways which are used on all axes. Additionally the precision rack used for the X and Y axis.

Powerful Drilling Spindle CAT 40 with 1000 PSI Coolant Pressure through Spindle
Multi Spindle Available



Wear protection on all axis
 Clamp food to avoid vibrations

LINEAR GUIDE SYSTEM

The unrivalled linear guide system used in machine tools is re-circulating linear bearings. These guides provide for unmatched rigidity, smooth travel and load carrying capacity.

Because linear bearings are the ultimate in linear guides, they are used almost exclusively on all precision CNC milling machines, EDM machines, lathes and laser machines for all linear travel.

However the limiting factors for the use of linear bearings are the relatively high cost and the requirement to limit the debris on the rail, which can lead to premature failure.

Higher specification plate-burning machine manufacturers use rectangular linear rails for the gantry axis and on the vertical torch lifter axes. Usually these bearings are unprotected and often the bearings are the low load rated round guides.

With the Kinetic machines, linear bearings are used on all axes of the combination machines. In addition every axis of the Kinetic machines has full protection for the linear guides and for the drive system.



Linear bearings and hardened and ground HELICAL rack drive, all protected with covers

Adjustable Backlash on Gear Boxes

CUSTOMER SATISFACTION

Kinetic manufactures cutting machines for the demanding end user, where accuracy, reliability and robustness are very important.

At Kinetic when we sell a machine, our goal is to provide a machine and technical service that exceeds our customer expectations.

The satisfaction of our customers is confirmed by the number of repeat orders from customers. This is illustrated with the recent order for our 5th K4000 machine order for Caterpillar. All of these sites had a competitor's machine at the site prior to deciding on a Kinetic machine.

MACHINE AUTOMATION – AFFECTS THE FINANCIAL RETURN

Kinetic was one of the first, if not the first, machine manufacturer to incorporate the advantages of PC machine control to plasma plate cutting in 1995.

With the advanced graphics, processor speed and reliability of the modern PC's, most machine control manufacturers now incorporate these advantages to their controllers.

As with the Kinetic machines, the most common method to use the PC controller is for the operator interface, with **a dedicated motion control board to perform machine control.**

The result is a Windows™ operating environment that is easy to operate and has unrivalled functionality.

Here is what one customer had to say:

“The machine is working great and it has increased my productivity and shop production tremendously. I am very pleased with the quality and durability of your product and without a doubt I made the right decision in buying your equipment.”

The controller gives a financial return:

A testament to the Kinetic operator interface is that since installing the Kinetic K4000 machines at both Caterpillar Australia installations, we have replaced the existing controllers on competitor's machines

OPERATOR INTERFACE

The interface on the Kinetic machines is either a 15" LCD screen with a **glass-faced touch-screen**.

This is a very graphical, easy to understand interface, where the touch-screen is used to select "buttons" on screen.

Ease of Use

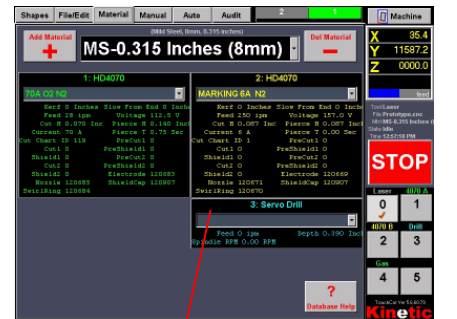
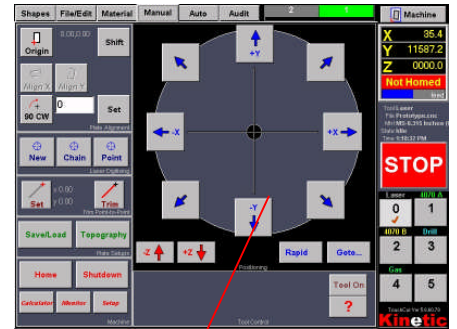
This touch-screen interface system provides an interface where different screens are used to import files, manually move the machine, and set up the cutting processes and to log machine performance.

Interface Features

- Easy to learn and use.
- Intelligent operator interface which displays only relevant information to the operator
- Unrivalled automated setting of cutting parameters to minimize operator input and skill requirements, providing reliable and consistent cut quality
- Real time graphics are shown of parts being cut including different tools shown using different colors
- Zoom in and auto panning
- **KINETIC SmartStart** feature allows for restarting a cut at any point along a part, simply by touching the required position on the screen. This feature also allows for a lead-in to restart the cutting operation
- Six configurable plate setups allow the operator to switch between jobs quickly and reliably
- Laser plate alignment pointer and digitizer
- Over 90 different standard shapes are provided ranging from simple shapes to sign writing and 3D developments
- Practically no limit to program size
- Management data for jobs and processes is shown and has both cumulative and re-settable parameters. These include tool on times, number of pierces and cutting distance

Only relevant buttons are shown on the screen for ease of use.
Shown with "Joystick" buttons to move the machine

All cutting parameters are stored on the machine and automatically set for each material and process required. Eliminating operator errors



SERVICE

We don't think customers want service; it's just that they need service. And when they need it they need it immediately. We agree and try to eliminate the need for machine service. When service is required, our goal is to supply it immediately.

We achieve this by:

- Minimizing service requirements. This is by the use of the best components available combined with a machine design to enhance the component technology
- Designing and documenting the machines for easy serviceability, so if it is required, the customers have the choice to perform the service work themselves or to use a Kinetic service technician.
- Using standard components so all parts are readily available
- Providing technical service to the customers promptly when required
- On line tech support

The Kinetic machines are supplied with a comprehensive operation and service manual.

During machine installation, maintenance fitters and electrical technicians receive comprehensive training on the Kinetic machine. This includes preventive maintenance, fault finding and machine servicing. Training of local contracting electrical technicians for machine service work is also optional.

ON BOARD DIAGNOSTICS

The complete Kinetic machine manual with operation, maintenance and service is available with the online help on the controller console. This allows for context sensitive help for all areas of the machine including plasma and other process problem assistance

The machine controller has comprehensive on board diagnostics for all I/O, analogue signals and servo motor control functions. Counters and machine monitors keep track of actual process on time, including consumable monitoring.

MAINTENANCE SCHEDULE

The controller is configured to prompt the operator for regular maintenance procedures.

These prompts include greasing, plasma filter cleaning, plasma coolant checking, and gas line inspections among others. The operator must confirm the scheduled maintenance has been carried out or delay the maintenance for a day. A record of the confirmed maintenance carried is logged by the machine.

UNRIVALLED ON LINE SUPPORT

The Kinetic controller allows for the operators to have direct communication with the Kinetic engineers simply by the push of a button whereby the operator can invite us onto his screen when he needs help.

The SC-VNC program uses outgoing ports which are normally open by default on most firewalls; sometimes they must be opened manually however.

The SC-VNC program is already installed on the machine, and can be accessed directly from inside Touchcut6 simply by pressing ctrl-H at any time. With it the Kinetic engineers can check machine settings, direct the operator when he gets lost or needs help, and update machine software directly to the machine. We only have access to the machine when we are invited on, and the sc-vnc program is set to go directly to our IP address so there is no security risk.

For this to work, it is usually sufficient simply to setup a gateway to give the machine internet access (you can also disable internet explorer if you wish through the program access settings to prevent web browsing at the machine).

SPARE PARTS

Some spares are provided with the Kinetic machine. These include a tool kit with proximity sensors, relays, and other items. Other items may be purchased by the customer and held on site. As previously stated, ***the machine is designed using readily available components*** that are readily available from many suppliers.

In addition, Kinetic has a comprehensive list of machine spares in Iowa USA, Melbourne in Australia and Auckland New Zealand and these can usually be delivered to site by overnight courier.

MACHINE PROPOSAL



Galadari Tool Changer on used on K5000 & K4000 Al Quoz Dubai



10 Tool Changer at Descon Dubai

Item 1 Kinetic K4000 Machine with 4.1 m Drilling Width

The K4000 Gantry has the following specification:

- Cutting width of 4.1m for all tool positions on main carriage.
- A dual drive system on either end of the traveling gantry provides the machine accuracy of +/- 0.01 mm/m on Hole Diameter
- Traverse speed of up to 25 m/min (1000 in/min)
- Every axis is fitted with linear bearings for machine linear accuracy, smooth travel and the ability to withstand high vertical loads.
- (Dual) rack and pinion drives on the long axis powered by precision gearboxes.
- Digital AC servo drives and motors for the X and Y travel.
- Full guide-way and drive protection on all axes to prolong drive and guide life.
- All hoses and cables for the X, Y and Z axes are protected with drag chain.
- No stairs down either side of machine has been included

Item 2 Machine Controller

The Kinetic profiling machines use a PC based controller combined with a glass faced LCD touch-screen for the operator interface.

The machine controller has the following features:

- PC based controller
- 15" LCD glass faced touch screen
- Separate 32 bit motion controller for uninterrupted motion control
- Standard components for easy replacement of parts
- QWERTY style keyboard
- Practically no limit to program size
- Emergency stop pull wire on rear of machine
- Comprehensive on board diagnostics
- Context sensitive help
- Air conditioning of cabinet to prolong electronic life

Item 3 Machine Control Program License

The Kinetic profiling machines use a PC based controller combined with a glass faced LCD touch-screen for the operator interface. This provides a very graphical, easy to understand interface where the touch-screen is used to select "buttons" on screen.

This system provides an intelligent interface where only buttons relevant to the tasks are displayed. Different screens are used to import files, manually move the machine, and set up the cutting processes and to log machine performance.

- **Only buttons relevant to the operations being performed** by the operator are displayed. This provides an uncluttered interface that is easy to learn and use.
- **Real time graphics are shown** of parts being cut including zoom in and auto panning.
- Cutting paths for each (different) tool are **shown using different colors**.
- Unequalled automated setting of cutting parameters. The **Kinetic machines use a Materials Database to automate the setting of the machine** as much as possible for the different materials, gases and consumables. This ensures the optimal settings are used for reliable and consistent cut quality. These are all called up on specification of plate and cutting system being used.

The plasma cutting settings automatically set by the controller include speed, feed, kerf width, pierce height, pierce time, voltage and current. With the automatic gas console, gas selection and flow rates are set automatically for plasma and shield gas.

Prior to cutting the parts, screen prompts tell the operator the required consumables, and settings for confirmation.

- KINETIC machines have a **software feature called SmartStart**. This allows for restarting a cut at any point along a part, simply by touching the required position on the screen. This feature also allows for a lead-in to restart the cutting operation. This facility can also be used to move the pierce point to the edge of the plate from where it is specified in the program. This feature is particularly important with plasma cutting to enable consumable changes to occur at any point during cutting.
- QWERTY style keyboard.
- Six **configurable plate setups** allow the operator to switch between jobs quickly and reliably. The machine will automatically set up the processes from the material database for the different plates and set the plate home and orientation.
- **Zooming in of parts and automatic panning of the screen** enables the operator to see fine details of parts being cut.
- A standard shapes library is included for all commonly used shapes.
- **G code for the program is shown on the screen** and can be changed by the operator if required. Changes made will be automatically updated on the screen. Changes made to the G Code can be saved back to the office PC via the network to eliminate version errors.
- Practically **no limit to program size**.
- **Management data** for jobs and processes is shown and has both cumulative and re-settable parameters. These include tool on times, number of pierces and cutting distance.

Item 4 Main Tool Carriage for the Spindle and up to Four Additional Lifters

The Main tool carriage on the Kinetic K4000 machine includes capacity for four vertical lifter stations in addition to the spindle axis. Lifter assemblies are included with the cutting head options selected.

- All lifters use programmable motors
- Linear bearings are used for linear guiding
- Ball screw drives are used for precise height control
- All drives and guides are fully covered
- Services to the lifters is through drag chain (caterpillar track)

Item 5 Machine Rails For 6.0m Cutting

The machine rails included allow for a total cutting length of 6.0m. The rails have the following specification:

- Linear bearing guides are used for machine accuracy, smooth travel and the ability to withstand high vertical loads.
- Machine rails and drive system are fully protected to prolong the drive and guide life
- **Hardened and ground helical rack** and pinion drive for extra high precision

Item 6 20 Hp Spindle Assembly(Multi Spindle Available)

The high-speed spindle head is designed for boring up to 50mm (2") holes using an insert drill (this is dependant on the insert drill manufacturer's specifications). The following is included with the spindle assembly:

- 20Hp (15 kW) servo motor drive with speeds up to 8000 rpm
- Drilling to 2" (50mm)
- Tapping to 1" (M24)
- BT40 taper for universal tool applications
- AC Servo vertical drive coupled to a ball-screw
- Clamp foot to assist in holding the plate during machining operations
- High Z axis travel also allows for fabrications to be drilled

Item 7 Servo Controlled Clamp Foot

Included is the patent pending ballscrew driven servo controlled clamp foot. This feature enables the machine to detect the surface of the plate and allows for accurate vertical control and pressure control. This feature provides significant performance gains over pneumatic controlled clamping with some customers achieving production gains of 40%!

Item 8 Thru Spindle Cooling and Plate Wash System

Included is a coolant filter housing complete with high and low pressure coolant supply to the machine. This allows for 1000PSI coolant pressure while deep hole drilling and also allows for swarf washing of the plate with the high flow plate wash.

High flow filter system with bag filters for thru spindle coolant drilling and plate wash

Item 9 Laser Pointer

Laser plate alignment pointer is used to assist in setting up the parts for cutting. This laser and the controller enable the following:

- Program rotation to fit plate.
- Dry run pointer to show where the profiles are to be cut
- Shows the nested extents only to speed up setup.

Item 10 Transport

Included is the machine transport to the customer's facility as detailed above. All travel for the Kinetic staff and is also included.

The machine is insured by Kinetic until it arrives at the customer's site. The customer is responsible for insurance following arrival at their site, including insurance for unloading from the truck.

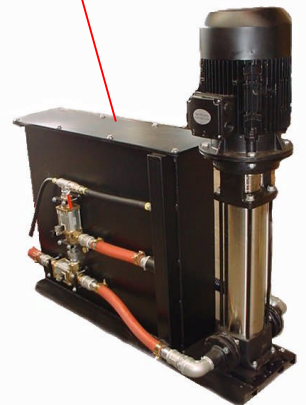
Item 11 Installation and Testing

Included is labor for Kinetic to install and test the machine. The customer is to supply all material for testing.

Item 12 On Site Training

Five days on site training of operators and managers. This may be concurrent with the testing of the machine. Included in the training is:

- Machine operator training
- Programmer training for PrimeCut (Only if software is purchased from Kinetic)
- Maintenance personal training



Item 13 Warranty

The warranty for the machine is for one year. This includes all parts and labor for the machine. Travel, accommodation and on site costs are not included in this warranty.

The Hypertherm systems if included have a one year warranty. The Hypertherm plasma power supply has an extended warranty to 2 years on a parts only return to base (freight paid by customer).

The warranty is void if maintenance and operating procedures are not followed, accidents or non-authorized service technicians or non-genuine parts are used.

During the warranty period, all consumables are to be purchased from Kinetic.

Item 14 Cutting Table Engineering Drawings

Included is the supply of detailed drawings to allow the customer to manufacture the cutting table and DXF drawings of profiles required for the cutting table. All material and services for the table are the customer's responsibility.

Item 15 CAD/CAM Interface and Nesting Software License

Kinetic develops a package called PrimeCut, designed to make the transition from CAD drawing to finished part as fast and simple as possible.

Primecut enables the operator to open DXF files of parts, and apply tool processing information with just a couple of mouse clicks. Multiple part quantities can be automatically nested across multiple plates, including odd-shape remnant plates. Entire workspaces, including part and plate accounting information, nest layouts and applied tooling can be saved and reopened for review at a later date.

Drawing Features

- Built in CAD drawing program
- Built in 2D Shapes library
- Signwriting text
- Built in 3D developments library
- Notch/Chamfer/Fillet editors
- Advanced Smoothing and Entity reduction
- Drawing cleanup features
- Seam Wizard for development joints

Nesting Features

- Fast Auto Nesting, with multi-plate support
- Graphical part preview on DXF import
- Full grain control,
- Nesting gap maintenance
- Drag-and-drop bump-nesting
- Force-Fit Nesting
- Draggable Arrays
- Staggered Arrays
- Part clustering
- Automatic Plate Cropping
- Strikethrough Bridge
- Spine Bridge Cutting
- Stitch Cutting for leaving parts in the plate
- Process Cut and Paste

Programming Features

- Automated Processing (tool allocation, ordering, leadin-placement)
- Remnant plate library
- Quick part estimation
- NC Preview, with path animation
- Powerful sequencing editor
- Context sensitive online Help.
- User configurable reports
- Workspace and Kitset saving
- Part-by-Part, Global and Zoned Sequencing
- Mousewheel support (pan and zoom)
- Plate Stripping Wizard

Additional Features Included

- Multiple controller support
- User configurable postprocessor
- Drill Piercing
- High Speed Spindle Support with tool changer
- Bevel Support
- Multi-torch support
- Multi-carriage support (auto spacing)

OPTIONS FOR THE KINETIC K4000

PRICE FOR MACHINE

All prices are in US dollars and excludes duties and tariffs and are based on various exchange rates which are subject to change and must be confirmed at time of order.

Item 1	Kinetic K4000 Machine with 4.1 m Drilling Width
Item 2	Machine Controller
Item 3	Machine Control Program License
Item 4	Main Tool Carriage for the Spindle and up to Four Additional Lifters
Item 5	Machine Rails For 6.0m Cutting
Item 6	20 Hp Spindle Assembly(Multi Spindle Available)
Item 7	Servo Controlled Clamp Foot
Item 8	Thru Spindle Cooling and Plate Wash System
Item 9	Laser Pointer
Item 10	Transport
Item 11	Installation and Testing
Item 12	On Site Training
Item 13	Warranty
Item 14	Cutting Table Engineering Drawings
Item 15	CAD/CAM Interface and Nesting Software License

The price for the Items as outlined above is

US\$499,500.00

PRICE FOR OPTIONS

CUSTOMER RESPONSIBILITY

SERVICES REQUIRED

The following are to be supplied by the customer for connection to the machine at the nominated points.

Electrical Supply

Customer is to supply certified personnel to connect machine and cutting systems electrical circuits to supply point.

All electrical supplies are to be fused and fitted with isolation points.

Plasma earth peg supply and installation is the responsibility of the customer.

Machine requires 230V 1 ϕ and plasma requires 415V 3 ϕ . All electrical supplies are to be fused and fitted with isolation points. The customer is also to ensure supply voltages have less than +/- 5% fluctuation of the stated supply voltages and the customer is responsible for power conditioning if required.

Gas Supply

All gases are to be supplied to the machine and be fitted with regulators and isolation points adjacent to the machine.

Overhead Drag Chain Support

The customer is to supply and install the overhead drag chain support. Drawings will be supplied by Kinetic. The installation of this is to be completed prior to the arrival of the Kinetic installation personnel.

Water Table or Dry Table and Air Extraction System

The customer is to have the water table completed and all services connected a prior to our engineers arriving onsite.

ASSISTANCE DURING INSTALLATION

The customer is to supply of labor, craneage and insurance to unload machine and assistance with installation two people work under the direction of a Kinetic engineer. Supply of plate for testing is also the customer responsibility.

SUITABLE AREA

The customer is to ensure suitable concrete floor with sufficient support to ensure that the machine alignment and accuracies can be maintained over the length and width of the machine and table.

GENERAL TERMS AND CONDITIONS

TERMS AND CONDITIONS OF SALE

As described in our 'Standard Terms and Conditions of Sale' as attached unless specified otherwise. Where there is a conflict between these terms and that of the Standard Terms and Conditions of Sale, then these terms will apply.

VALIDITY

This proposal is valid for 30 days from the above date.

DELIVERY

Delivery is 16 weeks from receipt of deposit ex our factory. Actual delivery times to be confirmed at time of order.

PRICE, TAX, DUTY AND TARIFFS

The quoted prices exclude tariffs and duties and local taxes and goods and services tax which are all additional to the quoted prices.

PAYMENT TERMS

30% of machine price with order

70% after commissioning in factory

ON SITE RESPONSIBILITY

Kinetic and their staff and contractors will position and install the machine in the position allocated by the Customer's staff. It is the responsibility of Customer to ensure the area allocated is sufficiently large and weatherproof and all that all building and service supply modifications that may be required are carried out prior to the machine installation. All building and service modifications are the sole responsibility of the customer and are to be completed prior to machine delivery.

KINETIC ENGINEERING DESIGN LTD STANDARD TERMS AND CONDITIONS OF SALE

1. **PRICE** The price of the goods is exclusive of local taxes which shall be paid without declaration in addition and at the "time of supply". The price of the goods will be that ruling at the date of delivery.
2. **DEPOSIT** Unless otherwise expressly provided in writing the customer shall pay the deposit forthwith, time being of the essence. The deposit shall be paid in part payment of the purchase price.
3. **PAYMENT** Unless otherwise expressly provided the price shall be paid as follows: Firstly by the payment forthwith as a deposit being 30% of the price; Secondly by the payment as a progress payment of an amount being 30% of the price. Thirdly by the payment on acceptance ex factory date of an amount being 30% of the price: and Fourthly by the payment of the balance of the price on that date being 30 days after the system or machine delivery date. The system delivery date shall be that date upon which the Company certifies that the goods are situated at the delivery site. As between the parties a certificate of the Company required under this clause shall save manifest error be conclusive evidence as to the subject matter therein contained. Payments shall be made without any deductions or setoff. All software licence codes will only be provided by the Company following full payment. No payment shall be withheld, reduced or deferred on account of any claim, counter claim, set off or otherwise. If full payment of any amount payable by the customer is not paid to the Company by the due date (a) that the customer shall pay interest on the moneys owing of 2.5 percent per calendar month (or such lower rate as the Company may decide). This interest is payable on a daily basis and is also payable after judgement. (b) The Customer shall be liable to pay upon demand all the expenses and legal costs incurred by the Company as a result of the Customer's default or of and incidental to the enforcement or attempted enforcement by the Company of its rights remedies and powers.
4. **DELIVERY** Any delivery date specified not withstanding anything contained in the agreement of which these conditions form a part shall not be of the essence and the Company shall not be liable for failure to deliver of any such date. If delivery is prevented or delayed by force majeure or any circumstances beyond the Company's control then the Company may at its option either perform the contract or so much thereof as remains unperformed within a reasonable time of such prevention or delay or cancel this contract to the extent that it remains unperformed and the Company shall not thereby incur any liability of any sort whatsoever.
5. **RISK** The customer bears the risk of any loss damage or deterioration of the goods due to any cause whatsoever from the time the Company gives possession of the goods to the first carrier or if the Company delivers the goods in its own vehicle at the place of delivery.
6. **OWNERSHIP** Ownership of the goods shall not pass to the customer until the customer has paid all that is owing to the Company. Until ownership is passed the customer holds the goods on behalf of the Company under the following conditions (a) The Company is permitted to enter into using as much force as is necessary to enter the customer's premises to inspect or repossess (or both) the goods. (b) If the customer sells the goods to a third party then the customer is accountable to the Company for all proceeds derived from such sale and shall hold such proceeds separately from other moneys on trust for the Company. If the customer is a company then each of its directors shall ensure all proceeds of sale are held separately on trust for the Company. (c) If the customer manufactures intermingles or deals with the goods in such a manner that they become an integral part of any other object then the customer shall be deemed to do so as an agent of the Company and ownership of the goods will remain with the Company as principal.
7. **WARRANTY** The Company warrants the goods to the extent it has manufactured the same against faulty workmanship and/or all materials for a period of twelve months after delivery and further warrants the goods will substantially conform with any description or specifications (if any) given to the customer provided always (a) all claims under this warranty are received within six months of the delivery of the goods. (b) the customer gives the Company notice of any defect in the goods within seven (7) days of such defect becoming apparent. (c) the customer has maintained and operated the goods in accordance with good industry practices and has complied with all specific recommendations of the Company. The Company will only be responsible for the replacement or the repair of faulty goods or workmanship (including faulty workmanship provided under this warranty) or for bringing the goods into conformity with any description or specifications (if any) given by the Company to the customer. Any such repair will be done at such a place as the Company may specify. The customer is responsible for cartage of the goods or of such parts of the goods as shall be necessary to and/or from the place as specified. This warranty shall not apply if the goods are repaired by any person not authorised by the Company to do such repairs or if the goods are used other than for the purpose for which they were intended by the Company. This warranty applies only to goods manufactured by the Company. Any parts components or materials obtained by the Company from any other sources are not covered by this warranty. Such parts components or materials shall be covered by the manufacturer's warranty (if any) only. This warranty does not cover any specifications or requirements tendered to the Company by the customer it being the customer's exclusive responsibility to ensure that the goods supplied under this contract will be satisfactory to meet its specifications or requirements (or both). This warranty is exclusive and all other warranties descriptions representations or conditions as to fitness or suitability for any purpose, tolerance to and condition, merchantability or otherwise whether of like nature or not and whether expressed or implied by law trade custom or otherwise are expressly excluded. This warranty is not transferable by the customer.
8. **RETURNS** The Company will not accept goods returned unless such return has been previously agreed in writing by the Company with the customer.
9. **LIMITATIONS OF LIABILITY** The total liability of the Company (or any of its servants contractors or agents) whether in contract tort or otherwise for any loss damage or injury arising directly or indirectly from any defect in or non-compliance of the goods or a unit or a part thereof or any other breach of the Company's obligation under this contract will not in any event exceed the purchase price of the goods (or the unit or part thereof as the case maybe upon which such liability is based). The Company (or any of its servants subcontractors or agents) shall not be liable for consequential indirect or special damage or loss caused by the customer's servants agents buyers or any other persons whosoever. The customer shall indemnify the Company (and each severally its servants subcontractors and agents) against any claims by the customer's servants agents customers or other persons whether similar to the forgoing or not in respect of any loss damage or injury arising from any defect in or non-compliance of the goods (or any unit or part thereof) or in respect of any other matter whatsoever.
10. **WAIVER AND FORBEARANCE** All the original rights powers exemption and remedies of the Company shall remain in full force notwithstanding and neglect forbearance or delay in the enforcement thereof. The Company shall not be deemed to have waived any condition unless such waiver is in writing and signed by a director or a secretary of the Company. Any such waiver shall apply to and operate only in the particular transaction dealing or matter in respect of which it was given.
11. **CUSTOMERS DEFAULT OR BANKRUPTCY** If the customer makes any default hereunder or commits any act of bankruptcy or being a company goes into liquidation or receivership or passes a resolution for the winding up (other than for the purposes or reconstruction) or compounds with or assigns any part of its estate to or for the benefit of its creditors or any number thereof then in any such case the Company without prejudice to any other rights or remedies in law or in equity shall be entitled at its option to terminate this contract or to withhold delivery of the goods and to resell the same or any part thereof and to claim in bankruptcy or liquidation for all loss and expenses so incurred.
12. **ASSIGNMENT** The Company is entitled at any time to assign to any other person the whole or part of this contract including all or any part of the debt owing to the Company in respect hereof. Any such assignee shall be entitled to claim full rights set off or counter claim against the customer as charge holders or successors in respect of the whole or part of this contract or the debt or part thereof so assigned
13. **CONTRACT** By entering into this contract the Company and the customer acknowledge that these written terms express the entire agreement between the Company and the customer and that there have been no representations made by either party to the other except as are expressly set forth herein and that if there is any inconsistency with the terms of any order that may be lodged by the customer any such order shall be of no effect. The contract shall not be subject to any change or modification except with prior written consent of both parties.
14. **ARBITRATION** All questions or differences which may at any time hereafter arise between the parties touching upon this agreement or subject matter thereof or arising out of or in relation thereto respectively and whether as to construction or otherwise shall at the cost of the customer in all things be referred to the arbitration of two independent persons, one appointed each by the Company and the customer together with an umpire appointed by the arbitrators, before entering upon consideration of the matters to be submitted both such arbitrators to be appointed within fourteen (14) days of such question or difference arising provided however should the customer fail to make an appointment within the said fourteen (14) days then the person appointed by the Company shall be and become the sole arbitrator of the said dispute or difference. Every such arbitration shall be conducted at Auckland, New Zealand. Every such reference shall be deemed a submission to arbitration within the meaning of the Arbitration Act 1908 and its amendments and shall be conducted and take effect accordingly except only so far as the provisions of such said Act are hereby expressly modified and the award of such Arbitrator (or Arbitrators and the umpire as the case may be) shall be final and binding upon the parties hereto.
15. **INTERPRETATION** For the purposes of these terms and conditions of sale the terms "the Company" means Kinetic Engineering Design Limited and its successors and assigns, "the goods" includes without limitation plant and machinery and the plural includes the singular and vice versa.