

GENERAL TERMS and CONDITIONS of SALE and DELIVERY of SATTLER AG

1. BASIS OF THE ORDER

These General Terms and Conditions of Sale and Delivery of Sattler AG shall apply to all deliveries made by Sattler AG ("Contractor") to its contracting party ("Customer") for consideration.

The mutual rights and duties of the contracting parties shall exclusively be defined by the content of the order accepted by Contractor and these General Terms and Conditions of Sale and Delivery.

These General Terms and Conditions of Sale and Delivery shall also apply to future transactions between the contracting parties even if no further reference is made to the same when contracts will be concluded in future.

The present General Terms and Conditions of Sale and Delivery shall apply to consumer transactions as defined by the Consumer Protection Act only insofar as they do not conflict with mandatory provisions of the cited Act.

Deviations from these General Terms and Conditions of Sale and Delivery, in particular Customer's terms and conditions of purchase or oral agreements will not be accepted.

2. OFFER

The documents relating to an offer, such as illustrations, drawings, weights and measurements shall only be deemed approximate values unless it is expressly stated that they shall be binding. The Contractor reserves title to and copyright in quotations, drawings and other documents; they must not be made accessible to third parties.

Transactions shall only become binding on Contractor if Contractor acknowledges them in writing or if it delivers the goods.

3. DELIVERY and ACCEPTANCE

Contractor shall not be bound by a fixed delivery period. Any delivery dates stated shall only be of an indicative nature.

Damages may not be claimed on the ground of a delay in delivery unless Contractor acted with wilful intent or gross negligence. In the event of a delay Customer shall grant a reasonable grace period.

If Customer fails to fulfil its obligations vis-à-vis Contractor, any fixed delivery period that may have been agreed upon shall be suspended.

War, strikes, lockouts, business interruptions and traffic disturbances, damage caused by fire, official orders or other events of force majeure which impair dispatch of the goods shall release Contractor from its duty to deliver for the duration of the impairment. The same shall apply if such an event occurs with any of Contractor's suppliers.

Contractor may rescind the contract if prior to delivery of the goods changes in the financial situation of Customer occur which suggest that payment of the goods is no longer secured sufficiently.

If dispatch is delayed at the request of Customer or for reasons which lie within Customer's sphere of responsibility, Customer will be charged with the cost of storage in Contractor's plant, in any case with a minimum of 0.5% of the amount invoiced, for each full calendar month as of the month following notification of readiness for shipment. However, Contractor shall be entitled to otherwise dispose of the delivery item after having granted and fruitless expiry of a reasonable period and to supply Customer with a reasonably extended delivery period.

Contractor reserves the right to choose the shipping route and the means of transport. Unless otherwise agreed Contractor shall only provide the goods ex works for collection by Customer at Customer's cost. Benefit and risk shall pass to Customer upon dispatch of the goods ex works or ex warehouse, respectively, irrespective of the payment conditions agreed for the delivery (such as, e.g., charges prepaid by sender, CIF, etc.).

If dispatch is delayed due to circumstances which lie within Customer's sphere of control, the risk shall pass to Customer on the day on which the goods are ready for shipment.

Partial deliveries shall be permitted. The place of performance shall be Graz.

4. PRICES and TERMS of PAYMENT

The prices stated in Contractor's offers shall be non-binding and apply net, ex works.

In the event of an increase in the cost price (cost of material, wages, packaging, overhead cost, etc.) between order and delivery, the price may be adjusted accordingly.

The terms of payment stated in Contractor's offer shall apply. Unless otherwise agreed Contractor shall pay the invoice cash without any deductions free Contractor's paying agent so timely in advance that Contractor will receive the amount invoiced within four weeks of the date of the invoice.

Payment shall only be deemed received if and when Contractor is able to dispose of the amount invoiced. Payment by means of a cheque or bill of exchange shall be deemed effected after the amount has been credited. Offsetting and/or retention of payments shall only be permitted if the counterclaim has been acknowledged by Contractor or ascertained by a non-appealable court decision. Claims of Customer vis-à-vis Contractor must not be assigned.

If the payment period is not observed, default interest in the amount of 8% above the base rate applicable on the date of the invoice shall be charged, in any case, however, 12% p.a. In addition, Customer shall have to reimburse any further damage caused by the delay, in particular dunning charges and attorney's fees. The dunning and collection charges to be reimbursed shall be calculated according to the maximum statutory rates applicable to collection agencies, which in the case of collection abroad shall be increased to the actual rates or the maximum rates applicable there.

5. RETENTION OF TITLE

Contractor shall retain title to the goods until full payment of the amounts invoiced plus interest and cost. Customer hereby assigns to Contractor its claim arising from a resale of goods title to which has been retained by Contractor for the purpose of securing the latter's claim for the purchase price, even if the goods have been processed, transformed or mixed, and undertakes to make a respective note in its books or on its invoices. Upon request Customer shall hand over all documents required for collection of the claim to Contractor and notify the third-party debtor of the assignment. In the event of an attachment or other seizure by third parties of goods title to which has been retained Customer shall be obliged to make reference to such a retention of title and notify Contractor.

Claiming retention of title and attachment of the delivery item by Contractor shall not be deemed a rescission of contract unless a rescission is declared simultaneously.

6. WARRANTY and DAMAGES

The warranty period shall be six months from the date on which the risk passed as described in clause 3. The warranty obligation shall not include parts subject to wear and tear or expendables.

For a warranty claim to be valid Customer has to notify the defects in writing immediately but not later than within three business days of the date of delivery (receipt of the goods). Defects in fabrics sold on bales which only come to light in the course of processing may also be notified within three days of detection but not later than within six months of the date on which the risk passed as described in clause 3. Defects shall not entitle Customer to a reduction in or retention of the purchase price. If the complaint is acknowledged Contractor shall only be obliged to deliver sound substitute goods. If an exchange of the goods is not suitable Contractor shall have to reduce the purchase price accordingly.

If a defect becomes obvious after the date on which the risk passed as described in clause 3, it shall not be assumed that the defect had already existed at the time of delivery. The burden to prove the same shall rather lie with Customer.

No liability shall be assumed for defects or damage caused by any of the following reasons:

- unsuitable or improper use
- defective assembly or putting into operation by Customer or third parties
- mistakes in assembly instructions or in the assembly by Customer vis-à-vis its customers
- natural wear and tear, wrong or negligent treatment
- chemical, electrochemical, biological or similar impact unless caused by Contractor.

If Customer was justified in satisfying a warranty claim of a consumer, Customer may claim compensation from Contractor for three months in addition to the warranty period of Contractor in compliance with other statutory restrictions.

Any additional claims of Customer, in particular for compensation of damage which did not occur to the delivery item itself shall be excluded unless it was caused by wilful intent or gross negligence.

Claims for damages in cases of slight negligence shall be excluded; this shall not apply to personal injury. The burden to prove gross negligence shall lie with the aggrieved party.

7. PLACE OF JURISDICTION

(a) *The following shall apply to deliveries to customers having their registered office/place of residence in an EU Member State, Switzerland, Iceland or Norway.* The exclusive place of jurisdiction for all disputes arising out of the contractual relationship between Contractor and Customer shall be the court with subject-matter jurisdiction in Graz.

(b) *The following shall apply to deliveries to customers having their registered office/place of residence outside of the territory of the EU, Switzerland, Iceland or Norway.* All disputes arising out of this contract shall be finally settled by arbitration under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by arbitrators appointed in accordance with the said Rules. Pursuant to Section 589 para 2 ZPO [Austrian Code of Civil Procedure] Contractor and Customer expressly agree that applicability of Section 595 para 1 subpara 7 ZPO be excluded.

The number of arbitrators shall be three. The language of the arbitration proceedings shall be German.

8. APPLICABLE LAW

The contractual relationship shall be subject to substantive Austrian law. Applicability of the rules of conflict and of UN Sales Law shall be excluded.