

GENERAL TERMS AND CONDITIONS

I. Introduction:

These general terms and conditions of sale and delivery shall become an integral part of this contract. Any terms to the contrary or other limitations imposed on the purchaser's part shall be void without requiring any explicit objection thereto. There are no ancillary agreements beyond these terms. Any changes to these terms shall require the seller's written approval.

II. Offer, orders:

Seller's offers shall be subject to change without notice concerning price, quantity, delivery periods and possibilities for delivery. Purchaser's orders shall be binding upon seller by a written or printed confirmation issued by the seller (which shall also include invoices or delivery notes).

III. Delivery:

Deliveries shall always be made at confirmed prices and terms. Seller shall make every effort to deliver as promptly as possible. There are no fixed delivery periods. If departing therefrom a fixed delivery date has been agreed upon, purchaser shall grant a reasonable grace period of not less than three weeks in the event of delay. In the event of expiration of the period without delivery the purchaser shall be entitled to rescind the contract. Any further claims shall be excluded. Seller may also effect delivery in parts. Purchaser is not entitled to reject a partial delivery. There shall be no contract for delivery in the event that seller on its part is not supplied either correctly or in due time.

IV. Shipment:

Seller reserves the right to choose the way and manner of shipping. Any extra costs caused by special requests of the Purchaser shall be borne by the same. The same applies to any increases in the freight rates, additional extra costs for redirection, warehousing costs, etc. occurring after the conclusion of the contract, unless freight paid has been agreed upon. The danger of destruction, loss or damage to the merchandise shall pass to Purchaser upon delivery or, in the event of collection by Purchaser, upon preparation for collection.

V. Payments:

Deliveries shall be payable according to the information provided on the invoices under exclusion of compensation. Seller shall be entitled to reduce any payment periods granted and to demand immediate payment in the event that Purchaser is in default with any payment due or is in arrears with an instalment when payment in instalments has been agreed upon. In the event of reasonable doubt in Purchaser's solvency or credit standing, Seller is entitled to rescind all current contracts concerning as yet unfulfilled deliveries or demand suitable collateral, which shall include advance payments, for effecting further deliveries. Payments shall only be regarded as having been effected when the amount is finally available on Seller's account. Seller reserves the right to use payments for offsetting the oldest items on the invoice plus any accrued interest in arrears and costs, this being in the following sequence of order: costs, interests, principal receivables. The presentment of bills of exchange shall require Seller's approval. It shall be made in lieu of payment. Discounts, bill charges, bill of exchange taxes and similar levies shall be payable by Purchaser. Any partial deliveries shall be due for payment with the amount which corresponds to said partial delivery. Purchaser shall merely be entitled in the event of incompleteness of the delivery to demand the repayment of the amount which corresponds to the as yet undelivered portion. Withholding and offsetting on the part of the Purchaser and assignment of claims against Seller shall be excluded. In the event of default in payment, default interest in the amount of 9% over the respective discount rate of the Austrian Central Bank (OeNB) shall apply. Seller reserves the right to assert any further damage from default or non-fulfilment.

VI. Reservation of title:

Ownership in supplied goods shall only pass to Purchaser after complete payment of the outstanding sum. The delivered merchandise shall remain the Seller's property until such time. Purchaser is entitled to dispose over the reserved merchandise ordinary course of business as long as the same is not in default. Pledging or chattel mortgaging are forbidden. Any receivables arising from reselling or any other legal reason concerning the reserved goods shall be fully assigned by Purchaser to Seller already at this point for security purposes. In the event of seizures of the reserved merchandise by third parties, Purchaser shall undertake to point out the Seller's ownership and to notify the same without delay. The reserved ownership shall extend to the products made from processing. If the reserved merchandise is processed together with other goods, mixed or joined with the same, Seller shall acquire co-ownership in the products thus made at a ratio of the in-voice value of the reserved merchandise to the invoice value of the merchandise owned by third parties or the Purchaser. Seller shall be entitled to demand from Purchaser the return of the reserved merchandise without grant of any grace period and without rescinding the contract in the event that Purchaser is in default with his obligations towards the Seller. Taking back of the reserved merchandise shall only constitute a rescission of the contract if so declared expressly in writing by the Seller.

VII. Force majeure, contractual hindrances:

Force majeure of any kind, loss of production, operational interruptions or stoppages of traffic, fire damage, flooding, lack of labour, power, raw and process materials, strikes, lockouts, obstructions in shipments, official decrees or other obstructions which delay, reduce or render unacceptable the production, dispatch, acceptance or consumption shall discharge Seller from the obligation for effecting deliveries or acceptance for the duration and the scope of the obstruction. If as a result of an obstruction the delivery and/or acceptance are exceeded by more than eight weeks, then both parties shall be entitled to rescind the contract. In the event of rescission, Purchaser shall not be entitled to make any claims for damages against Seller. The compensation of any expenses made by Purchaser (especially penalties to third parties) shall be excluded. In the event of partial or complete loss of sources of supply on the part of Seller, the same shall not be obliged to obtain supplies from other upstream suppliers. In this event the Seller shall be entitled to distribute the available quantities of merchandise under consideration of Seller's own needs.

VIII. Warranty and damages:

Purchaser is obliged to lodge any complaints concerning defects immediately in writing, but not later than within a period of fourteen days after the delivery of the goods by stating the defect and by dispatching documents, samples and packing slips, and by stating the invoice number and the batch number. In the case of hidden defects it is required to lodge the written complaint not later than six months after the delivery of the goods to the exclusion of the right to complain otherwise. Any duly raised and proven notices of defect shall be remedied by Seller at his choice by reducing the price, by taking back or exchanging the rejected goods against reimbursement of the purchase price. Purchaser may only return the rejected goods with the Seller's approval. Claims for damages by the Purchaser, claims for compensation from consequential harm caused by a defect or from breach of contractual ancillary obligations by Seller shall be excluded in the event of slight negligence of the Seller or the persons acting on his behalf. Claims for compensation shall be limited to the amount of the respective invoice value. Application, use and processing of the purchased merchandise shall exclusively be in the Purchaser's sphere of responsibility. Advice as to the applications as provided by Seller in words and in writing shall only apply as non-binding information, which shall also apply with respect to any third-party industrial property rights, and shall not discharge Purchaser from making his own examinations of the products concerning their suitability for the intended processes and purposes. Application, use and processing of the products occur outside of Seller's sphere of control and are therefore the sole responsibility of the Purchaser. Seller hereby agrees with Purchaser on the exclusion of a protective effect, if any, of this contract for the benefit of third parties. In the event that Purchaser intends to lay claims against Seller under the title of product liability by way of recourse, then Purchaser shall inform Seller about such claims within a period of three weeks from obtaining knowledge. In the event of legal action such notification shall occur without delay. The facts in support of the claim must be specified in detail. In the event that Purchaser fails to observe this, then he shall forfeit his claim to recourse. Liability for damage to property which was caused by a defective product shall be excluded. Damage to property inflicted upon a consumer shall be excluded from this exclusion of liability.

IX. Other rights and duties:

Purchaser may only market goods in packaging as provided for by Seller by enclosing the labelling as required by the law or the authorities, the accompanying documents and information for consumers. Purchaser must observe all labelling and packaging regulations as demanded by the law and otherwise. Seller is not obligated to take back sold goods or to compensate Purchaser if the same was prohibited by the authorities from placing on the market the acquired goods with respect to quantity, time or in any other manner. If the return of the merchandise is demanded by the authorities, then Purchaser shall be obliged to return the goods in the original packaging without the addition of any other materials, preparations or finished goods at the Purchaser's expense. In the event that Purchaser obtains knowledge about any property of the merchandise that was not known to the same beforehand, then Purchaser shall notify Seller thereof without delay. Advertising for the Seller's goods may only occur in agreement with the statutory regulations and under observance of the relevant regulations. Purchaser shall be liable to Seller for any damage (especially pecuniary damage) caused by failure to observe such regulations.

X. Trademarks:

It is not permitted to offer or supply substitute products instead of the Seller's products by making reference to such products or to bring in connection in the price lists and other business documents the Seller's product designations (irrespective of whether they are protected or not) with the term "substitute" or to compare the same with the designations of substitute products.

XI. Place of performance and place of jurisdiction; effectiveness clause:

Place of performance for the delivery is the respective shipment point, and for the payment it is Salzburg. Place of jurisdiction for both parties is Salzburg. The Seller is entitled however to also assert his claims at the Purchaser's place of jurisdiction. Austrian law shall apply. Terms customary in the trade shall be defined according to the respectively valid Incoterms. In the event that individual clauses of these terms of delivery and sale should be entirely or partly invalid, then this shall not affect the validity of the remainder of the clauses or the other parts of such clauses. An ineffective provision shall be regarded as being replaced by such a provision which comes as close as possible to the economic purpose of the ineffective clause and is effective.