

General Conditions of Sales

VALID MARCH 2013

1. Scope of Application

1.1 These terms of Sale and Delivery shall apply to this order as well as to all future orders, offers, sales and deliveries unless provisions deviating from these terms have been agreed upon in writing. Oral agreements shall not be valid.

2. Orders and Offers

2.1 The Contractor shall be liable for performances only to such an extent as has been expressly agreed upon in writing. A duty to warn or an obligation shall be generally excluded. Desires to change orders and offers shall be subject to a separate agreement in writing.

2.2 Orders shall be binding on the Contractor only after having been confirmed in writing by the Contractor.

2.3 Any measurements and capacities of the goods quoted in all offers and order confirmations shall be considered as approximate. In particular, no goods can be rejected on the grounds of minor deviations, customary in trade and technologically unavoidable, concerning quality, colour and design of said goods. Moreover, the Contractor expressly reserves the right to minor deviations from illustrations, drawings and specifications.

2.4 Any offers shall be prepared at the currently valid costs of material and wages.

2.5 Any offers, in particular documents attached thereto, etc. shall remain the property of the Contractor and said offers and documents must not be copied, nor reproduced, nor made available to any third party without the Contractor's prior consent.

3. Terms and Conditions of the Customer

Terms and Conditions of the Customer shall not apply. Once the order has been placed with the Contractor, the Terms and Conditions of the Customer shall no longer apply therefore, neither for the current order, nor for any future orders, even if in individual cases these Terms of Sale and Delivery should not be the basis of said orders. As soon as the order has been placed these Terms of Sale and Delivery shall be acknowledged by the Customer, however, by no later than the time at which the confirmation of order is signed.

4. Customer's Duty to Cooperate

Individual offers shall be prepared exclusively on the basis of type and scope of the complete information (dimensions, shapes, etc.), documents (designs, drawings, etc.) and possible supplementary material to be provided by the Customer.

kraftholz neuhofer gmbh
Haslau 48
A-4893 Zell am Moos
T. +43 (0)6234/201 08
F. +43 (0)6234/201 08-21
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www.kraftholz.com

5. Delivery

5.1 The period of delivery shall start as of the date on which the Contractor has received the signed order confirmation. The period of delivery shall be stipulated for each individual case upon placing of the order.

5.2 All delivery dates quoted shall be non-committal. To the extent the Contractor does not keep the delivery dates, the Customer may require the Contractor to declare whether he wants to cancel the order or whether he wants to deliver within a reasonable period. Unless the Contractor gives this declaration within a reasonable period of at least fourteen (14) days, the Customer may cancel the order. In no case shall the Customer have the right to hold the contractor liable for a damage possibly arising therefrom. Claims of the Customer on the grounds of delivery dates not kept by the Contractor out of negligence shall be excluded.

5.3 Partial deliveries, respectively premature deliveries by the Contractor shall be permitted.

5.4 All dispatches shall be to the Customer's account.

5.5 On transferring the goods to the forwarding agent, respectively to the carrier, however no later than the goods leave the plant or the warehouse, the risk shall pass to the Customer regardless of who bears the freight costs. In any case insurance shall only be effected if expressly requested by the Customer and in the Customer's name and for his account.

5.6 If the goods are dispatched on trucks pertaining to the manufacturing plant or on trucks of a forwarding agent, unloading the goods and taking them to their final place of destination shall be the responsibility of the Customer, respectively the recipient, even if the goods are delivered free Customer's address. Should the goods not be taken charge of upon delivery, the Contractor shall have the right to unload and/or warehouse the goods appropriately at the expense of the Customer.

5.7 Deliveries delayed due to incorrect, incomplete instructions and/or instructions changed at a later date shall never be the responsibility of the Contractor and can in no case lead to a default. Additional costs arising from such cases shall be borne by the Customer.

5.8 Should dispatch be impossible for reasons not attributable to the Contractor, risk shall pass over to the Customer upon receipt of the report of Contractor's readiness to dispatch.

6. Taking Charge of the Goods

6.1 It is the obligation of the Customer to take charge of the goods without undue delay; he shall not be entitled to refuse taking charge of the goods for immaterial defects. Should the Customer refuse to take charge of the goods on the grounds of immaterial defects or for whatever other reason, the goods shall be deemed to have been duly taken charge of upon delivery to the Customer's site. Sentence 2 of subsection 5.6 shall apply mutatis mutandis.

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6.2. In the case of call-up orders, the Customer shall undertake to accept the goods by no later than 14 days following readiness. Otherwise, the goods shall be dispatched automatically and, in a case of refusal to take acceptance, placed in storage (even public storage) at the Customer's expense. The delivery shall then be deemed to have been performed.

7. Warranty, Notice of Defects, Liability

7.1 While the Contractor is otherwise released from the obligation to perform, the Customer is obligated to inform the Contractor promptly, not later than within fourteen (14) days after delivery respectively taking over of the goods by the Contractor, in writing and by way of sufficient additional documentation of any claims, in particular of defects, but also of damage claims insofar as they are not excluded by subsequent provisions, regardless of whether the goods have been taken over by the Customer with reservations, and the Customer is further obligated to give the Contractor or a third person authorized by the Contractor the opportunity to carry out an inspection of the goods objected to and to make a report in writing.

7.2 For unobjectionable workmanship and functioning of the goods, the Contractor shall give a warranty period of three (3) months. The warranty period shall start as of the date the goods are delivered or taken charge of. During said period, defects attributable to faulty material, defective workmanship and defective construction shall be remedied by the Contractor free of charge.

7.3 The warranty and the liability under the aforementioned conditions shall only apply vis-à-vis the Customer, however not vis-à-vis third persons to whom the goods have been passed on. These persons shall on principle be excluded from any warranty and liability. Warranty and liability within the framework of aforementioned terms and conditions shall terminate if the delivered goods are altered/or processed and/or improperly handled.

7.4 The Contractor shall only be liable under mandatory law. Liability for consequential damage shall be excluded altogether. Should the Contractor be held liable by any third party, the Customer shall indemnify the Contractor to the extent that the Contractor is not liable under this provision.

7.5 In case of damage caused in transit, the Customer shall require immediately after delivery and taking over of the goods from the carrier in charge to inspect and document the damage (note on bill of delivery and on transport document). The deadline for notifying the carrier by mail of any damage not visible externally is four (4) days after having received the consignment. Missing cargo has to be reclaimed immediately from the carrier before taking over the goods.

8. Exchange of Goods

Taking back or exchanging goods shall be generally excluded. For any return or exchange of goods agreed upon separately, a handling charge in the amount of the costs accrued for the Contractor is understood to have been agreed. Any transport costs arising thereby for the Contractor shall also be charged to the Customer's account.

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9. Prices, Payment and Period of Payment

9.1 Any invoices are payable net within 7 days of invoice date, even if complaints - in particular notices of defect - have been filed. Offsetting the Customer's receivables against payments of the purchase price due to the Contractor shall not be permitted.

9.2 In case of default, dunning costs (currently € 11.00) shall be charged per reminder. In case of delay in payment caused by the Customer, the legal rate of interest according to § 352 UGB shall be charged. This lies 9.2 % above the base rate on the last calendar day of a six-month period valid for the coming six month. A claim for dunning costs and default interest shall exist regardless of any fault on the part of the Customer.

9.3 Until all outstanding amounts including dunning costs and default interest have not been paid, the Contractor shall not be obligated to make any further deliveries under a current order, however in such a case the Contractor may require, prior to delivery, a guarantee for the purchase price resulting from said delivery.

9.4 All payments shall be made in euros. The prices quoted are understood ex principal place of business, respectively ex branch office of the Contractor.

9.5 Should the Contractor's costing data increase on the day the goods leave the premises of the Contractor, the Contractor shall have the right to also increase the prices even if prepayments have been made. This provision shall apply for example to price increases on the part of the sub-suppliers, and in general to increase of material as well as to pay rises, etc.

9.6 To the extent that the Customer is in default in payment to the Contractor in connection with this order or a previous or a later order, all receivables of the Contractor shall become due in full with immediate effect and can be claimed by the Contractor without sending a reminder or setting a grace period. In such a case the discounts stated in the invoices as well as discounts agreed to be credited at a later date, other deductions and rebates or reimbursements shall be forfeited.

The same shall apply if the Contractor's assets have been subjected to insolvency proceedings (e.g. bankruptcy and composition proceedings) or if a bankruptcy petition has been dismissed for lack of cost covering assets or if the prerequisites for opening such proceedings, respectively for dismissing such a petition exist or if the Customer has suspended his payments or fails to honour cheques and bills of exchange given by him on their due dates.

9.7 Cheques and bills of exchange will be accepted by the Contractor only upon special agreement and only on account of payment. Bill charges and discount charges shall be borne by the Customer.

9.8 In case of defaulting payment, the Contractor reserves the right to assign or to sell accounts receivable to a factoring agency, respectively to entrust a collection agency with the collection of said accounts receivable and/or to forward them to the Contractor's attorney. The expenses connected therewith shall be borne by the Customer.

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9.9 Without prejudice to any stated purpose of use, payments shall be used in the first place to cover agreed ancillary costs, in particular default and bill discount interest, dunning costs, collection fees and other expenses, attorney's fees in particular. Any residual amounts shall be appropriated to the accounts receivable longest due for deliveries and services (the so-called principal amount).

9.10 Any fees in connection with letters of credit, cheques and bills of exchange shall be paid by the Customer. Whenever possible, letters of credit are to be opened at the Contractor's bank, which currently is Sparkasse Frankenmarkt AG.

10. Accounting

From the moment the Customer is obligated to take charge of the goods, the Contractor is entitled to render an account.

11. Reservation of Title

11.1 Title to the goods shall not pass until the purchase price, as well as all ancillary costs have been paid in full and until all claims under any past and future deliveries of goods have been fulfilled. If payment is made by cheque or bill, this provision shall apply until the cheques or bills have finally been cashed.

11.2 Should the conditional commodity be passed on to third parties (buyers), the title shall be retained by the Contractor until the accounts receivable have been paid in full. In such a case the Customer shall be obligated to inform the buyer that the Contractor has retained title to the commodity delivered to the buyer.

The Customer undertakes to record in his books the assignment of this account receivable to the Contractor, as soon as the assignment has been effected, stating the amount and the statutory basis of the account receivable, the debtor, the assignee and the date of the assignment. The Customer shall also be obligated to prove upon request that the above recording in his books has been effected accordingly in all cases.

If there exists a valid prohibition of cession between the Customer's buyer and the Customer, the Customer shall inform the Contractor forthwith to this effect. To the extent that the Customer cannot provide sufficient other securities for the Contractor's claims, the Contractor shall be entitled to prohibit the resale of the conditional commodity to the buyer.

Should the conditional commodity be sold against cash, the title retained on the purchase price shall pass to the Contractor up to the amount of the purchase price of the goods plus statutory turnover tax. In such a case, the Customer shall be obligated to keep in custody the money paid for the purchase price separate from his own cash funds or from any cash funds of other persons. In addition to that, this transaction has to be recorded in the books accordingly.

11.3 The reservation of title shall be in no way impaired if the goods have already been installed or processed. In the case of fixed installation and/or processing, the Contractor shall at a minimum acquire co-ownership of the new object.

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11.4 The Customer shall be obligated to indicate any pledges or other attachments and executions by third parties upon the conditional commodity or the claims to his ownership assigned to the Contractor and the prolonged reservation of title and to inform the Contractor promptly in writing. The costs for asserting the Contractor's property right shall be borne by the Customer. Pledging and transfer of collateral on the part of the Customer are not permissible.

11.5 To the extent that the Contractor makes use of his reservation of title, he shall have the right to take back the delivered goods and the corresponding transport costs shall be borne by the Customer. In such case the Customer shall waive any defence of disturbance of possession.

11.6 The Customer shall undertake all steps, in particular every legal-transaction declarations, to assist the Contractor or a third party named by him in order to realize the negotiated reservation of ownership and preliminary assignment, according to foreign law at the place of delivery or the Customer's head-office location as well.

12. Property Rights

12.1 The Customer shall not be entitled to make use of the Contractor's intangible property rights. He shall not register any property rights, e.g. respective trademarks, utility models and designs, patents, etc. which correspond in full or in part to the Contractor's intangible property rights or are similar to them, or have them registered by third parties, respectively assert said property rights or have them asserted by third parties. In addition to that, the Customer undertakes not to oppose the Contractor's property rights, neither of his own account nor by third parties or to support third parties to oppose said rights.

12.2 The Customer shall in no case have the right to use the intangible property rights as part of his enterprise or to use them in any other way to identify his business.

12.3 The Customer shall inform the Contractor about any violations of property rights by third parties or about any legal acts against the Contractor.

12.4 The Customer shall distribute the goods in no other condition than their original condition, under no other trademarks than their original trademarks and in no other presentation than their original presentation.

12.5 Unless agreed otherwise in writing, the Contractor shall have no rights whatsoever to the work completed by the Contractor, respectively by his employees in fulfilment of a contractual relationship. Any performances of the Contractor, including performances under presentations (e.g. drawings, detailed drawings, ideas, conceptions, preliminary designs, designs, fair copies of drawings, concepts, negative prints, slides, etc.) as well as parts thereof, together with individual work pieces and original designs shall remain the property of the Contractor and the Contractor may reclaim them at any time, should they have been handed over to the Customer.

The works of the Contractor must not be modified. Imitations of any kind whatsoever shall be prohibited.

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13. Miscellaneous Provisions

13.1 Modifications of these Terms of Sale and Delivery must be agreed upon in writing. This condition shall also apply to the written-form requirement itself.

13.2 Silence to terms of sale and delivery of another kind or to provisions of any kind whatsoever communicated to the Contractor cannot be deemed to be an acceptance of said terms and provisions.

13.3 The Customer expressly waives to offset claims of the Contractor with any kind of counterclaims.

13.4 Any claims the Customer may have can only be asserted in court.

13.5 If the Customer assumes that the Contractor is in default with regard to fulfilling his obligations, he shall grant the Contractor a grace period of six (6) weeks.

13.6 The Contractor shall be entitled to store, proceed and transmit any data relating to movement of goods and payment transactions, as well as data relating to the Customer. The Customer agrees to this utilization of data in accordance with the Data Protection Law.

13.7 Should individual provisions of these Terms of Sale and Delivery be found to be illegal or unenforceable, the remaining provisions shall not be affected thereby. The illegal and unenforceable provisions shall be automatically substituted by such legal and enforceable provisions which serve the economic purpose as best as possible.

13.8 Any notices or statements provided for in the Terms and Conditions of Sale and Delivery or by law have to be made in writing. In cases in which such notices and statements are subject to a deadline they have to be made by registered mail, the postal stamp of an Austrian post office or the postal stamp at the location of the Customer being decisive for calculating and keeping said deadlines.

13.9 The Customer expressly waives to contest these Terms of Sale and Delivery for those reasons which can be waived with legal effect, in particular because of error, coercion, deceit, etc.

13.10 For the Terms of Sale and Delivery including the issue of their coming into existence legally valid and including the effects prior to and after their coming into existence, the laws of Austria shall apply. The application of the UN Sales Convention is expressly contracted out.

13.11 The Austrian forwarding agents belong to an international pool and it has been agreed that Euro pallets shall only be exchanged in Belgium, Germany, Netherlands, Italy and Austria. In cases in which the Euro pallets are not exchanged within this international pool, a fee of currently € 8.72 per pallet shall be charged.

13.12 For clients collecting goods, delivery times are binding. Should goods not be picked up from the seller by the 5th day of the delivery date at the latest, the seller shall be legally entitled to charge 0.5% of the value of the goods per day plus statutory VAT (storage fee, movement costs); any additional claim for damages shall

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remain unaffected by this. Also, clients collecting their goods must send the customs documents to the seller upon customs clearance; the client shall indemnify and hold the seller harmless against claims in the event the customs documents are not sent.

14. Place of Performance / Jurisdiction

14.1 Place of performance in all cases shall be the registered office of the Contractor, also regardless of whether the freight costs are borne by the Contractor.

14.2 Any disputes arising out of or in connection with these Terms of Sale and Delivery (Agreement) including the issue of their coming into existence legally valid and of their effects prior to or after coming into existence shall be subject to the exclusive jurisdiction of the City of Salzburg Law Court, at the option of the Contractor also subject to the jurisdiction of the law court in the district of which the Customer has his registered office, a branch office, his habitual residence or his assets.

In the case that no enforcement agreement exists between Austria and the state where the Customer has his headquarters, any disputes arising out of or in connection with these Terms of Sale and Delivery (this Agreement) including the issue of their coming into existence legally valid and of their effects prior to or after coming into existence shall be settled exclusively by The Court of Arbitration of the Salzburg Bar Association ("Salzburger Rechtsanwaltskammer"), 5020 Salzburg. The rules of arbitration of the Salzburg Bar Association shall apply as amended. The place of arbitration shall be Salzburg. The language of arbitration shall be German. Both the Customer and the Contractor waive to appeal an arbitration or otherwise to oppose its legal effect and its execution, to the extent that such a waiver is effective according to mandatory law.

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