

GENERAL TERMS AND CONDITIONS

1. Scope of Applicability

The general terms and conditions set out below shall apply exclusively to all offers, acceptances, confirmations, deliveries and services. The contractual partner's terms and conditions of business and/or purchase shall only apply to the extent that they do not contradict our terms and conditions.

2. Offers and Conclusion of Contract

Our offers shall not be binding. Contracts shall not be concluded until Austroflamm GmbH confirms an order in writing. All agreements, ancillary arrangements and commitments of whatever kind, including any such reached with travelling personnel or other Austroflamm GmbH agents, shall require our written confirmation. Illustrations, drawings, indications of weight, descriptions, as well as specifications and usage data shall be only approximately determinant and shall not constitute assurance of properties. We reserve the right to change dimensions and weights.

3. Time of Delivery and Performance

Binding delivery and service dates shall require our written confirmation. Should a due date be called in an entitled manner via reminder notice (Art. 904 of the Fed. Law Gaz.), a reminder notice in the sense of Art. 904 of the Fed. Law Gaz. deliveries and/or services shall be due no earlier than six weeks following receipt of such notice. In a case of force majeure, labour conflicts, unforeseeable hindrances (on the part of our suppliers as well), and other circumstances not attributable to us, the delivery and/or service deadline shall be reasonably extended. Should a hindrance last for more than two months, or in a case of non-compliance with a deadline for reasons other than those indicated, the contractual partner shall be entitled to withdraw from the deliveries and/or services concerned after setting a reasonable period of grace (which must amount to at least 14 business days). We shall be entitled at all times to effect partial deliveries/services.

4. Transfer of Risk, Taking Acceptance, Transport Damage, Packaging

Risk shall pass over to the contractual partner as soon as the merchandise is released to the shipper, viz. even if transport is implemented by our employees as well. Once the merchandise is received, it must be checked immediately for completeness and damage. Any and all damage or quantity shortage must be noted in as much detail as possible on the consignment note (e.g. "Packaging damaged, contents accessible," or the like) and be countersigned by the deliverer. To safeguard any and all claims, the contractual partner must report any and all transport damage to us and the deliverer in writing within a period of four business days. Packaging materials shall remain with the contractual partner – we shall not be obligated to take them back.

5. Warranty

Deficiencies discovered through careful inspection are to be reported to us by no later than four business days after taking acceptance of the merchandise; other deficiencies are to be reported without delay after they are discovered, in writing, including the invoice and complaint record; otherwise, the merchandise shall be deemed approved. Warranty of any type and other liability shall be precluded in cases of damage caused through disregarding assembly or operating instructions, altering the product, applying incorrect usage materials, or natural wear and tear. Deficiencies duly and properly reported shall be remedied at our choice either on the contractual partner's premises or in the factory, whereby we may exchange the merchandise if we choose. The contractual partner shall only be entitled to rescission or abatement right if we refuse to remedy a deficiency or fail to do so within a reasonable period of time. Only the contractual partner shall be entitled to warranty rights; they may not be assigned. The costs for installation and disassembly of parts as well as shipping costs are to be borne by the contractual partner at all events. Relating to this a recourse according to § 933b ABGB (Austrian General Civil Code) is excluded.

6. Other Liability

We shall be liable for deficiencies exclusively contingent upon the regulation set out in No. 5. Replacement claims extending beyond this scope (claims for damages in particular) on the contractual partner's part against us shall be precluded, irrespective of legal basis, unless we have acted intentionally or with crass, gross negligence.

7. Prices

Legally imposable VAT shall apply to invoicing. In cases of contracts stipulating a delivery time of more than four months, we reserve the right to increase prices according to the cost-increases due to rising material prices or wage costs. Should an increase amount to more than 5% of the negotiated price, the contractual partner shall have the right to terminate the contract.

8. Payments

Unless otherwise agreed in writing, our invoices shall be payable within 30 days net. Payments have not been effected until the time we receive them (debtor's obligation to perform at creditor's address). The contractual partner shall waive the right of contestation. Deficiencies duly and properly reported (cf. No. 5) shall only entitle the contractual partner to withhold the purchase price to the extent of the decrease in value due to such deficiency. Withholding rights in excess thereof shall be precluded.

Should the contractual partner be in default of payment, dishonour a bill, should a bank collection order be rejected, if individual enforcement is being carried out against him, or should a petition be filed for opening composition or insolvency proceedings against his assets, we shall be entitled (notwithstanding other rights)

- to call due at once all accounts receivable from the contractual partner, without consideration of the original due dates,
- to withhold all deliveries or services in connection with not yet fulfilled contracts and to make delivery or service dependent upon advance payment, even after default has ceased; the contractual partner shall be obligated to recompense us for damage resulting therefrom,
- to assert all rights in connection with reservation of ownership (No. 9),
- to charge default interest in the amount of our loan costs, however at least 2% above the basic interest rate of the European Central Bank (basis tender),
- to calculate a flat-rate cost portion of EUR 3.00 for each dunning notice,
- to initially apply payments to earlier debts. Should costs already have been incurred, we shall be entitled to initially apply payments to such costs, then to interest and lastly to the principal sum.

9. Reservation of Ownership

Merchandise shall remain our property (conditional commodity) until all accounts extant at the time the merchandise is delivered have been settled. Should a conditional commodity be processed to a new, movable object, such processing shall be done on our behalf. When processing with other merchandise not belonging to the contractual owner, we shall acquire co-ownership of the new object in proportion to the invoice value of the conditional commodity to that of the processed merchandise.

Should the contractual partner acquire sole ownership via connection, he shall transfer to us already a co-ownership share corresponding to the invoice value of the conditional commodity. The contractual partner shall undertake to sell conditional commodities under reservation of ownership only. The contractual partner shall already transfer to us the account in connection with further sale or other legal basis in the amount of the invoice value of the conditional commodity. Simultaneously, he shall undertake to enter this transfer in his account books.

Should the contractual partner be in default of payment, dishonour bills of exchange or other bill, if individual enforcement is being carried out against him, or should a petition be filed for opening composition or insolvency proceedings against his assets, his entitlement shall cease to continue using or sell a conditional commodity and we shall be entitled to report the assignment. In such cases, the contractual partner shall be obligated to inform us without delay thereof, to name the third-party debtors and all accounts receivable, as well as to provide us with all documentation necessary for collecting such accounts.

10. Place of Fulfilment, Jurisdiction

Contingent upon the regulation set out in Paragraph 2 of this contractual item, the exclusive competence of the International Arbitration Board, Austrian Chamber of Commerce shall be agreed for any and all disputes arising in connection with this legal relationship, applying the arbitration rules decreed by this body as most

recently amended. In the absence of other arrangement between the parties, the arbitration board shall consist of a panel of three arbitrators, constituted according to the Vienna Rules [Wiener Regeln]. Linz shall be the place of arbitration; German shall be the language of arbitration. Contestation of an arbitration ruling in accordance with Art. 595 Par. 1 Fig. 7 of the Code of Civil Procedure shall be waived by mutual accord. The right of Austroflamm GmbH to file a suit or petition according to its sole decision with an ordinary court shall remain unaffected thereby. In such a case, the court competent in rem at the location of Austroflamm's head offices shall be exclusively competent. Contractual partner suits and petitions against Austroflamm are also to be filed with the ordinary court at Austroflamm's choice. Therefore, the contractual partner shall be obligated to notify Austroflamm GmbH of an intended suit or petition in writing prior to filing such suit or petition. If, within a period of 14 days following receipt of such a writing, Austroflamm should opt for ordinary legal action, the court competent in rem at the location of Austroflamm's head offices shall be exclusively competent. Declaration on Austroflamm's part must be made in writing. The postmark shall be determinant for establishing punctuality. Should Austroflamm GmbH make no declaration within this period, matters remain with the exclusive competence of the International Arbitration Board, Austrian Chamber of Commerce, contingent upon this contractual item. Austrian law shall apply to this arbitration agreement.

11. Choice of Law

Austrian material law shall apply, exclusive of UN purchase law.

12. Ineffectiveness of Individual Provisions

Should one or more of these provisions be ineffective in whole or in part, the parties shall already be obligated to reach a substitute regulation which comes closest in commercial intent to the cancelled regulation.

Applicable as of April 1, 2014