

General Terms of Business
KAPO Fenster und Türen GmbH
KAPO Möbelwerkstätten GmbH
(Version May 2010)

1) The following General Terms of Business (hereinafter referred to as GTB) shall apply to all business relations between our company and the customer as far as there are no other terms agreed. Verbal agreements are invalid without written confirmation.

We shall not accept proposals from customers which do not comply with these General Terms of Business. We do not accept General Terms of Business issued by the customer, even when we do not reject them explicitly.

2) The order form to be signed by the customer shall constitute a binding proposal to our company. A contract which obligates us shall not be formed until we provide written confirmation or until the ordered merchandise is delivered.

We reserve the right to undertake part deliveries, whereby each part delivery shall be deemed to be a separate transaction and shall not affect that part of the order which has not yet been performed.

If delivery is proven to be impossible, we shall be released from the contract.

3) We shall prepare cost estimates to the best of our specialist knowledge; we are unable to take account of order-specific circumstances of which our staff cannot be aware. Should further work be required in the event of an order, which results in cost increases of more than 20%, we shall notify you immediately.

Cost estimates shall be proposals, which shall not oblige us to accept the order nor to undertake the work listed in the cost estimate. Planning work, samples and trips to the customer which are requested shall be charged on the basis of master scheduled work rates plus any material costs and other expenses, if the order is not placed with us.

4) All drawings, drafts, plans or documents of a similar nature produced by ourselves shall remain our intellectual property. If these are used without our consent, we shall be entitled to claim compensation in the amount of 25% of the quotation amount.

5) All prices quoted by ourselves, unless explicitly indicated otherwise, shall be inclusive of value added tax. All prices shall be in accordance with the current calculation and shall be valid for three months from their quotation (except in the event of

a separate price increase agreement). Should the wage and material costs, together with other costs necessary for provision of the work alter, without us having any influence thereon, our prices shall also be adjusted.

6) If the customer provides plans or specifies dimensions, then it shall be liable for their accuracy, unless acceptance based on actual dimensions has been agreed in writing.

Deviations and minor amendments from the agreed work (e.g. in the case of colours, wood and veneer appearance, grain and structure and in the case of dimensions etc.) must be tolerated by the customer, if they are due to the material and are minor. Dimensional variations of up to 10%, provided they do not prejudice proper use, shall in particular be deemed to be minor.

7) Our company shall not be obliged to execute the work until the customer has met all its obligations which are necessary for execution. Our company shall not be obliged to undertake work which falls within the sphere of other trades (e.g. if gas, water and electricity connections are to be undertaken by the tradesmen entitled to undertake such work), unless this was agreed in writing when the order was placed.

8) As far as there are no other agreements we deliver all items EXW (ex works) Pöllau (according to Incoterms 2000).

The delivery times which we specify shall only be approximate. The additional costs incurred as a result of delays shall be borne by the customer, if it was legally responsible for the circumstances which gave rise to the delay.

9) The delivery date, which we shall notify at the latest 14 days in advance, shall be deemed to be agreed if the customer has not objected to this date in writing within eight days of notification by us. If the customer is not present on this date or if it has failed to complete the requisite measures resp. preparatory work for completion of delivery, then the customer shall be deemed to have taken delivery of resp. accepted the performance resp. the work. At this point all risks and costs, e.g. bank charges, storage costs at reasonable prices (carrier's tariff) shall become the responsibility of the customer.

10) The customer must inform the contractor immediately of any change of address. If it fails to do so, then its last known address shall apply for all service. The customer shall bear all expenses related to the ascertaining of its address.

11) Retention of Title: All merchandise delivered by us shall remain our property until payment in

full of the purchase price including all extra charges have been received by us. In the event of default in payment by the customer, we shall be entitled to collect items which are subject to our reservation of ownership, resp. to retain parts not yet delivered, until such time as the customer has met its payment obligations, whereby this shall not equate to withdrawal from the contract.

12) Extended retention of title: The customer may sell on the conditional delivery during its normal business operations. In this case it hereby assigns to us the payment claims against its customers arising from any resale of the conditional merchandise, whereby we accept this assignment.

13) All packed items have to be controlled within 3 days concerning defects or damages. Delayed reclamations will not be accepted. In case of justified reclamations the customer is not entitled to withhold payment of the total amount of the invoice; he is just allowed to withhold appropriate the worth of the defect.

14) As far as there are no other conditions of payment agreed the customer shall undertake to pay an advance payment in the amount of 50% when the order is placed, whereby any promised delivery period shall not commence until the date the deposit is paid. A further 40% of the order amount shall be payable on delivery or commencement of assembly.

If the customer fails to meet this obligation, then the contractor shall be entitled to withhold delivery. The remainder shall fall due within 14 days of rendering of an invoice.

15) All payments shall be net in cash without deductions plus value added tax which is to be shown separately; unless other terms of payment are agreed (discounts or rebates shall apply only by separate agreement). In the event of payment by bill of exchange, cheque etc., our receivable shall not be deemed to have been paid until these have been collected. The customer shall bear any discount resp. collection charges.

16) In the event of default in payment, even if this has been caused through delay in taking delivery for which the customer is responsible, an interest rate of 8 % above the discount rate of the Österreichische Nationalbank valid at the time shall be charged as indemnity for any credit charges which we incur.

We shall moreover be entitled to charge an amount of EURO 20,00 for every formal reminder which we send.

In the event that we are forced to commission a collection office to collect outstanding receivables, the customer shall undertake to bear all the associated costs and charges.

17) If deterioration in the credit worthiness occurs after coming to an agreement we shall be entitled to withhold delivery until the customer has paid the invoice completely or until he has given a guarantee for the payment.

18) In the case of defects which can be eliminated the guarantee shall be respected by the contractor via free repair of the proven defects within a reasonable period. If no complaint was lodged in relation to obvious defects when delivery was taken, or if the parts suffering from defects were altered by someone other than the contractor, then the customer's warranty claims shall be cancelled.

Parts subject to wear and tear shall only have a lifespan in accordance with the state of the art.

19) Claims for damages are only possible to be made by the customer if the contractor is delayed for fulfilling his warranty obligations.

20) For damages which do not refer to the field of application of the product liability law we are liable only in the frame of the legal provisions, considering that intention or gross negligence can be proven. The liability in view of slight negligence is also excluded as well as compensation for consequential damage and financial loss, savings not achieved, loss of interest and claims from claims of third parties against the client. In case of non keeping to the mounting instructions, in the context of placing into operation and use every kind of compensation for damages is excluded.

21) In the event of cancellation by the customer, the contractor shall be entitled, notwithstanding the assertion of an additional claim for damages or loss of earnings, to claim a cancellation fee of 15% and in case of special production orders of 30% of the order amount.

22) All disputes arising out of this contract or related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by one or more arbitrators appointed in accordance with the said Rules.

Exclusively Austrian law shall apply to all disputes; UNCITRAL shall not apply.

23) Invalidity of individual provisions of these "General Terms of Business" shall not cause the remaining provisions to lose their validity.