

# General Terms for Sales and Deliveries

## 1. Ambit:

These General Terms and Conditions of Business shall apply for all current and future legal transactions between our company and the customer. With the confirmation of order the customer recognises the validity of these General Terms and Conditions of Business. Our company's services and offers shall be made exclusively on the basis of these terms and conditions of business; we shall not recognise the customer's deviating conditions unless we have expressly agreed to their validity.

## 2. Conclusion of Contract:

All offers made by our company shall be without obligation. The object of the agreement shall only be our company's services specified in the confirmation of order. We consider delivery orders to be irrevocable purchase offers. Verbal agreements with our company shall only be valid if we have confirmed them in writing. Orders may only be cancelled or changed with our written consent. A cancellation or change in special productions shall not be possible.

## 3. Prices:

All prices we have specified shall be net prices and include no taxes or other duties. The prices listed are based on the price list valid on the date of the offer. Installations shall only be carried out on order and against compensation for costs incurred if they have not been expressly included in the product prices.

## 4. Packaging, Transport:

We pack the goods at our discretion. The transport packaging used by our company is recyclable cardboard boxes and plastic sacks, which we take back without exception. We shall be released from the disposal obligation where other packaging materials are used.

## 5. Delivery, Transfer of Risk:

Shipping shall be carriage paid except where a delivery ex works has been contractually agreed. Damages during transport shall be grounds to refuse acceptance of the delivery. Our company shall be entitled to make partial deliveries. Delivery dates and deadlines are approximate and applicable upon submission of the order confirmation. We shall be entitled to exceed the agreed schedules and delivery deadlines by up to three weeks. The customer may only withdraw from the agreement following the expiration of this grace period by giving notice of at least four weeks.

Where the customer is obligated to satisfy and produce certain technical and commercial prerequisites the delivery deadline shall begin thereafter and the obligation to execute the service shall not begin until satisfaction of these obligations (this shall particularly apply to the timely receipt of all materials and information from the customer). In the event of subsequent changes and supplements the delivery deadline shall be correspondingly extended. The customer shall not be entitled to assert any claims due to these delays. We shall not be liable for a delay or impossibility of service due to force majeure or other grounds, from which our company is not responsible. If service is hindered due to such grounds our company shall be entitled to cancel pending promised deliveries. This shall also apply if the hindrance to delivery results from delay or non-performance on the part of the sub-supplier.

Our company shall be entitled to appropriately extend and/or postpone the delivery deadlines and schedules for the aforementioned reasons. The customer shall not be entitled to assert any claims due to such delays. The customer shall be entitled in these cases, however, to withdraw from the agreement by giving notice of at least four weeks.

The delivery shall be deemed timely if it is dispatched from our plant or warehouse and/or if it is available for collection by the end of the agreed delivery period.

## 6. Duty to warn and inspect:

Documents to be provided by the customer shall be provided by said party to our company in sufficient time for us to review the documents prior to the start of the execution and make the necessary preparations.

Our company shall report to the customer recognisable defects and considerations against the prospective implementation following thorough inspection of the final planning documents on the basis of our expertise. If on the basis of this notification the customer fails to provide adequate instructions or proposals to rectify or improve the implementation within 14 days then it shall itself be liable for the consequences of this omission.

## 7. Payment:

Current payment conditions shall be noted on each invoice. Discount deductions shall be subject to a separate agreement. In the event of late payments and partial payments, any discount agreements shall cease to be in force. The customer's payments shall be deemed rendered the moment they have been received into our business account. The customer's payment shall be offset against the oldest debt respectively.

In the event of late payment, we shall be entitled at our discretion to seek compensation for the actual damages incurred or to charge statutory interest on arrears. The customer shall be obligated in the event of late payment to compensate our company for reminder and collection costs incurred, insofar as they are necessary for the appropriate legal proceedings. In cases of individually invoiced partial deliveries, our company shall be entitled in the event of the buyer's late payment to retain goods yet to be delivered without becoming liable for damages. For late payments all other pending receivables shall also be due for payment upon the advent of the delay. The same shall apply also if the buyer suspends payments at the opening of insolvency proceedings, bankruptcy proceedings or compulsory executions. Notice of a defect shall not release the customer from its obligation to adhere to the payment terms. A right of retention on the part of the customer shall be excluded.

The customer may not offset its debts against our company's debt. Excluded from these shall be debts recognised by our company in writing or legally determined by the court.

Placement of the order by the customer shall be deemed confirmation of the customer's solvency and creditworthiness. If considerations arise at a later date that speak against the customer's solvency and creditworthiness our company may at our discretion make the performance of the agreement dependent upon a prepayment or sufficient provision of securities or withdraw from the agreement by giving an appropriate period of notice. In this event our company shall be released from all further service and delivery obligations.

## 8. Withdrawal:

In the event of default of acceptance or other important reasons, such as in particular the customer's bankruptcy or bankruptcy rejected due to lack of assets, as well as late payment on the part of the customer or non-performance of payment agreements, we shall be entitled to withdraw from the agreement by giving notice of at least two weeks. For the event of withdrawal we shall have the right to claim compensation for the damages actually incurred.

If the customer has not accepted the goods as agreed we shall be entitled following an unsuccessful grace period to store the goods either at our facilities, for which the customer shall be invoiced a storage fee, or store them with a company authorised to do so at cost and risk to the customer. We shall meanwhile also be entitled to either insist on contractual performance or withdraw from the agreement by giving notice of at least two weeks.

## 9. Retention of title:

All goods shall remain our company's property until the full payment of the purchase price.

If the goods subject to retention are resold the customer shall hereby assign its receivables from the relevant purchase agreement up to the amount of our company's receivables outstanding from this delivery to our company. The customer shall be obligated to this end to notify our company of its buyer. Payments the customer receives from its buyer shall be promptly passed on to our company.

If the goods supplied under reservation of title are altered or processed by the customer then the retention of title shall also extend to the resulting newly created object. Our company shall acquire joint ownership in the newly created object.

The customer shall not be entitled to pawn the goods subject to retention of title to third parties or transfer ownership for the purposes of security or dispose of these goods in another manner to the benefit of a third party. The customer shall be obligated to notify our company as quickly as possible of third party accesses to the delivered goods subject to retention of title. In the event of distraint or another claim by third parties the customer shall indicate our company's ownership of the goods.

In the event of late payment, faulty storage and similar grounds our company shall be entitled to demand the return of the goods subject to retention of title. If the goods are surrendered the buyer shall be obligated to compensate for expenses and the freight-paid return and any reduced values.

## 10. Warranty:

We shall satisfy the customer's warranty claims in all cases at our discretion either by exchange, repair within an appropriate period or price reduction. The customer can only request redhibition if the defect is significant and not rectifiable through exchange or repair and a price reduction is not reasonable for the customer. The customer's compensation for damages, which aim to rectify the defect through improvement or exchange, can only be asserted if we are in default with fulfilment of the warranty claims. Warranty claims relating to moveable objects must be legally enforced within one year of the delivery of the goods.

If the customer asserts the presence of a defect resulting claims, in particular for warranty services or compensation for damages, may only be asserted if the customer proves that the defect already existed at the point in time of the delivery. The customer shall inspect the goods promptly following delivery and if an apparent defect is found, it must at least notify our company within 5 workdays of receipt of the goods – otherwise any warranty and compensation for damages claims will be excluded. Hidden defects shall be immediately reported to our company, at the latest within 5 workdays – otherwise any claims for warranty or compensation for damages will also be excluded. Only properties expressly confirmed by our company as such shall be considered under warranty.

Our warranty does not extend to defects caused by requested deviations from the series production of a product. Altering or processing the goods as well as improper installation by the customer or a third party shall lead to an exclusion of all claims for warranty and compensation for damages.

If an incidence of warranty should relate to the customer's relationship to its buyer, recourse against our company pursuant § 933 b of the ABGB [Austrian Civil Code] shall be excluded. Our warranty obligation shall in any event lapse upon expiration of the warranty period.

## 11. Guarantee:

Wiesner-Hager shall guarantee the execution, workmanship and functionality of our products for 2 years from the date of delivery pursuant the following terms:

The conditions of guarantee shall apply for states in the European Union. Special terms shall apply for other countries. The rights under this guarantee are not transferable to third parties and always relate to a specific project.

All replacement parts, incl. packaging and transport costs, shall be delivered free during the period of guarantee. Servicing in the plant or at the customer's facility shall be free of charge.

Excluded from the guarantee shall be: Damages due to normal wear and tear, such as is the case with rolls, cover fabrics, gas springs, surfaces, table edges; defects due to use other than as intended; defects due to improper handling or failure to observe the operating instructions; defects due to extreme climatic conditions or atypical environmental influences (e.g. acids, wetness); defects due to improper interventions or maintenance by non-professional persons; defects in the materials provided by the customer; defects due to requested deviations from the series production of a product, as well as damages due to wilful or grossly negligent actions by the user.

The guarantee shall apply to customary industrial use, meaning 8 hours/day for 220 workdays per year. In the case of multiple shifts or year round 24 hour per day use the period of guarantee shall be correspondingly reduced.

The guarantee shall not be interrupted or delayed if a service has been provided.

A reduction of the purchase price or redhibition of the purchase agreement can only be requested if the maintenance owed permanently fails or is unreasonably delayed. Compensation for damages due to defective maintenance may only be claimed in the event of wilful intent or gross negligence.

We request the following information for claims:

Description of the damage or defect, description of the model, model no., AB no., manufacturing date and, if applicable, sending the invoice. Details about the chair/table model are recognisable on every product through the label on the underside of the chair/table.

Following expiration of the period of guarantee, for the rectification of defects we shall invoice for labour expenses, material costs and proportional travel expenses.

## 12. Liability:

All claims for compensation for damages – also damage claims pursuant § 1168a of the ABGB [Austrian Civil Code] or resulting from installation carried out – shall be excluded in cases of slight negligence. The injured party shall document the existence of gross negligence. The statute of limitations for damage claims shall be one year from the transfer of risk. Liability for loss of profits, consequential damages or damages due to third party claims are excluded.

The buyer shall be obligated to refrain from independent advertising messages vis-à-vis the end user, which would entail liability consequences for our company.

13. Minor deviations, special productions:

Minor material-related deviations from the illustrations underlying the order or descriptions in catalogues, samples and showpieces, in particular colour and grain deviations in wood and materials, model changes, size and colour deviations shall be reserved and shall not entitle the customer to any claims for warranty or compensation for damages.

For special stains deviating from our colour card the customer shall provide us with colour wood panels in an approx. 10x10 cm format. On the panels shall be noted which side is to serve as a colour sample. The special staining may only be done if the sample shows no colour differences caused by the grain. A surcharge shall be levied for special stains.

The front side of the materials provided shall be clearly labelled. It shall also be indicated for patterned materials how the material is to be processed (e.g. " stripes lengthwise ", " stripes across "). Otherwise the materials shall be processed at our discretion. For leather processing typical features of the leather skin, such as tears, insect bites or wrinkles etc., as well as colour deviations or wrinkle formations due to the leather's natural elasticity shall not be grounds for claims.

In the event leather materials are provided by the customer, skins of at least 5.50m<sup>2</sup> shall be delivered. The materials and leather skins shall be delivered by the customer rolled. Our company shall assume no liability for the quality of materials and leather skins provided.

## 14. Product liability:

Recourse claims under the terms of § 12 of the PHG shall be excluded unless the recourse claimant proves that we have been responsible for the error and at least grossly negligent.

The buyer shall be obligated to deliver the directions, usage, processing and installation instructions, accompanying our products to the end consumer.

## 15. Copyright:

The designs, models, forms, templates, drawings, sketches, illustrations, pattern books and other samples produced by our company shall always remain our company's intellectual property. The customer shall receive no right of use or exploitation of any kind.

## 16. Public clients:

For public invitations to tender the present General Terms and Conditions of Business shall only apply in the scope in which they are not contraindicated by the tender.

## 17. Miscellaneous terms:

Austrian Law shall apply. The applicability of the United Nations Convention on Contracts for the International Sale of Goods shall be expressly excluded.

The place of performance for delivery and payment shall be the head office of our plant in Altheim or the head office of our respective foreign branch office, even if the contractual transfer is effected at another location.

With respect to our company with its head office in Altheim the court competent for such matters in A-4910 Ried im Innkreis shall be agreed as the jurisdiction. If individual terms are legally ineffective this shall not affect the validity of the remaining terms and the agreements concluded on the basis of these terms and conditions. Another clause shall be agreed in lieu of the ineffective one, which is effective and comes as close as possible to the content and purpose of the ineffective clause.

All agreements – including amendments and supplements – require our company's written confirmation. Verbal agreements shall be invalid.