

General sales terms, delivery and payment conditions*

All orders will be accepted or executed, respectively, only on the basis of the following conditions. By placing an order the orderers expressly accept these sales terms, delivery and payment conditions.

Guarantee and compensation

The guarantee given covers only the quality of the coating material delivered. It does not however cover the coating made with it, since the manufacturer has no control over its proper application. With sales from samples, slight variations in quality and colouring must be allowed for.

In any event, complaints will not be considered in cases where thinners, hardeners, additional lacquers or other components are added that have not been bought from us, or whose use has not been recommended by us, or that have not been used according to instructions for use provided by us.

Our recommendations about applications and technical matters, whether written or spoken, that have been given to the customer or processor, in good faith, on the basis of our expert knowledge and according to the current state of scientific and practical knowledge, are without obligation and do not constitute a contractual legal relationship, nor additional commitments above and beyond the purchase contract. They do not absolve the purchaser from the responsibility of checking for himself whether our products are appropriate for the intended use. Complaints about quantity, weight and varieties can only be made when taking possession of the goods. Complaints about quality can only be made within 8 days of taking possession of the goods.

Making a complaint does not entail being absolved from responsibility to comply with the agreed sales terms, delivery and payment conditions.

Claims for damage to property are excluded in cases where our responsibility for them was only minor.

It is deemed to be agreed, that the purchaser may not offset any claims against his obligation to pay for purchased goods (prohibition of compensation).

Product liability

The purchaser expressly waives entitlement to compensation for damage to property that he suffers in his business (waiver in accordance with § 9 Austrian Product Liability Law). In case the purchaser sells the goods on to another entrepreneur, he is also obliged to transfer the above waiver in accordance with § 9 Austrian Product Liability Law to the second entrepreneur so that he too can make no claims against the supplier.

In case such a transfer of the waiver should not be made, the original purchaser is obliged to indemnify the supplier and to forfeit any cause for action, and compensation for any costs associated with this. In case the purchaser is held liable under the terms of the Product Liability Law, he expressly waives an entitlement to redress from the supplier.

In cases where the goods are resold, the original purchaser is obliged to hand over to his customers any data sheets and product descriptions, which he received when taking delivery of the goods.

Duty to keep records and accounts of the products/to monitor the products

The purchaser is obliged to:

- keep precise records of the use and application of the goods purchased from the supplier;
- make promptly available to the supplier any information that he receives about any faults in the product (customer complaints, injuries etc.).

Delivery and acceptance

Delivery period: within 14 days of receipt of orders. Delivery conditions: free to the door of EUR 100,- or more; below this invoice value delivery is not free; EUR 7,- freight costs will be charged. Any special or express freight costs are chargeable to the purchaser.

For export orders ex-works.

The customer's wishes are taken into consideration, if possible; resultant additional costs are chargeable to the purchaser.

Minimum invoice value: because of administration costs (delivery order, invoice and booking) we are not able to deliver orders under EUR 75,- (excl.VAT) on outstanding accounts.

We reserve the right to under- or over-supply the order to the amount of up to 10 percent. Our obligation to deliver lapses as soon as a purchaser falls behind with a debt. In case there are doubts about the purchaser's ability to pay, we reserve the right to make further supply dependent on securities, or to ask for advance payment. Delivery dates may be extended to an appropriate degree in the following cases: force majeure, energy and raw materials shortages, strikes, traffic hold-ups, and decisions by higher authorities.

Conditions of payment

Payment within 30 days as of date of invoice net cash.

When we accept bills of exchange the bank's discount and collecting charges are calculated. They must be paid immediately in cash. If there are doubts about the customer's ability to pay, we are authorised to revoke the allowed payment period. For delayed payment a default interest to the amount of 5 percent per annum above the three-month EURIBOR rates may be charged.

In case of default the purchaser/orderer is obliged to refund operating costs, in accordance with the Ordinance of the Federal Ministry for Economic Affairs concerning collection agencies' charges, Federal Law Gazette no 141/196.

Charging of the emballages

Only packing cases expressly marked as hired packaging will be taken back. The hired packing cases must be returned in a sound condition (not in need of repair) free of charge to the supplier factory railway station within 3 months. If they are returned after 3 months, no credit note will be issued.

Security

If there are reasonable doubts as to buyer's ability to pay, especially if buyer is in default of payment, Henelit may, subject to further claims, revoke agreed credit periods and make further deliveries dependent on the provision of sufficient security.

Retention of Title to Germany

Expanded Retention of Title

HENELIT retains title to the goods delivered for so long as all outstanding debts in connection with the business relationship with buyer have been completely paid.

Retention of Title with processing clause

In the event buyer processes the goods delivered by HENELIT, HENELIT shall be considered manufacturer and shall directly acquire sole title to the newly produced goods. If the processing involves other materials, HENELIT shall directly acquire joint title to the newly produced goods in the proportion of the invoice value of the goods delivered by HENELIT to the invoice value of the other materials.

Retention of Title with combination and blending clause

If the goods delivered by HENELIT are combined or blended with material owned by buyer, which has to be considered the main material, it is deemed to be agreed that buyer transfers to HENELIT the joint title to such main material in the proportion of the invoice value of the goods delivered by HENELIT to the invoice value (or, if the invoice value can not be determined to the market value) of the main material. Buyer holds in custody for HENELIT any sole or joint ownership originating there from at no expense for HENELIT.

Extended Retention of Title with blanket assignment

Buyer shall have in the ordinary course of business free disposal of the goods owned by HENELIT, provided that buyer meets its obligations under the business relationship with HENELIT in due time. Buyer already assigns to HENELIT all claims in connection with the sale of goods to which HENELIT reserves the right of retention of title when concluding the sales agreement with HENELIT; should HENELIT have acquired joint title in case of processing, combination or blending, such assignment to HENELIT takes place in the proportion of the value of the goods delivered by HENELIT with retention of title to the value of the goods of third parties with retention of title. Buyer already assigns to HENELIT any future confirmed balance claims under current account agreements in the amount of the outstanding claims of HENELIT when concluding the sales agreement with HENELIT.

Right of Access/Disclosure

In the request of HENELIT, buyer shall provide all necessary information on the inventory of goods owned by HENELIT and on the claims assigned to HENELIT. Furthermore, at the request of HENELIT, buyer shall identify on the packaging HENELIT's title to the goods and shall notify its customers of the assignment of the claims to HENELIT.

Late Payment

In the event of late payment by buyer, HENELIT is entitled, without rescinding the sales agreement and without granting a period of grace, to demand the temporary surrender of the goods owned by HENELIT at buyer's expense.

Partial Waiver clause

Should the value of the securities exceed HENELIT's claims by more than 15%, HENELIT waives securities to this extent.

Jurisdiction and miscellaneous issues

The place of jurisdiction is Villach.

The buyer's data shall only be stored and processed by us in strict accord with the relevant statutory provisions and to the extent necessary for the proper implementation of the contractual relationship.

Other agreements

All other agreements, particularly oral agreements with sales representatives, are applicable only after written confirmation from the general management.

**Translation – only the German version is legally binding*