



TERMS OF SALE

1. Our quotations are subject to confirmation. The purchase contract is established only upon our order confirmation. We only supply as per the terms of our order confirmation. Special agreements of customer's terms shall only be binding upon our written confirmation.

2. If our claims are at risk, we are entitled to require prepayment or a bank guarantee irrespective of the agreed terms of payment. Should this be denied we are entitled to withdraw from the contract without constituting thereby a basis for the customer's right to compensation.

3. Delivery periods or delivery dates only are binding when explicit designated as such in writing. Delivery periods are calculated beginning with the day of order confirmation and end with the day of shipment and are subject to unpredictable impediments. In case of force majeure, action by any government, strike, insurrection, mechanical breakdown, lack of raw materials, other disruptions of operations and transportation, delays in delivery of materials, the period for delivery under the contract shall be extended accordingly, unless we do not exercise our right of withdrawal from the contract without constituting thereby a basis for the customer's right to compensation.

In case a delivery is behind schedule, a period of grace of 4 weeks shall be deemed as agreed. If shipment does not take place within expiry of the period of grace, the customer is entitled to withdraw from the contract. All further rights are excluded.

4. Partial deliveries are admissible and shall be deemed to be independent transactions.

5. Unless otherwise stipulated in the contract, the risk of accidental destruction or accidental damage of the goods is transferred to the customer upon shipment; therefore the customer shall claim shortages and damages due to transport immediately upon delivery against the carrier in writing on the shipping documents. In case that on customer request goods are not delivered on the due date and in case of default of acceptance the risk is transferred to the customer already upon storage in our factory or in our distribution center.

6. Orders may be delivered with a quantity deviation of up to 10%, in case of customised goods up to 20%. 1B quality products and quality seconds as well as short lengths have to be accepted up to 20% of the ordered quantity. For the price calculation shall apply the agreed discounts.

7. Complaints due to differences in colour, measurements and weight are excluded if the differences are within the tolerances set out by the quality guidelines or standards to the usual extent. The same applies in case our carpets deviate from patterns and samples, which principally are not-binding, particularly in case of technical

progress. In case of delivery of second quality goods, the customer might complain that have been delivered rejects. In case of carpets shall be excluded complaints for pressure marks due to furniture or similar. Special requirements to coverings of all types (such as use of wheelchair, resistance against chemicals, extraordinary stress due to temperature, pressure or shear) shall only be deemed as agreed if confirmed by us in writing. In velour carpets there might arise corn rowing (shading) that are no deemed as manufacturing defect and therefore are not recognised as complaint.

8. Any recognizable defects shall be notified in writing to the factory in Hartberg within 8 days upon receipt of the goods. Delivery note and adhesive labels shall be submitted together with the complaint. Complaints are excluded in case the goods already is being handled or processed, especially if the carpet already has been laid. The customer is obliged to verify prior to any handling or processing of the goods that there is no cause of complaint.

9. Complaints for hidden defects have to be asserted without delay after identification in the same way as immediately identifiable defects. These defects only are considered if the customer furnishes the proof of having processed or maintained according to our recommendations. The deadline for the assertion of warranty claims is six months otherwise any assertion of warranty claims shall be excluded.

10. Complaints recognized by us shall obligate us at our sole discretion to deliver a replacement with a new delivery period or to issue a credit against return of the goods or to remedy the defects. Credits due to recognized complaints only are granted for the fair value under consideration of the agreed warranty period. Any additional claims such as conversion, reduction, and compensation, irrespective of their legal grounds, are excluded. We are not liable for accidents, disruptions of operations or other damages or disadvantages arising out from our deliveries.

The above disclaimer of liability does not apply for damages caused with intent or due to gross negligence. Any claims for compensation must be asserted in court within 6 months from identification of damager and damage becoming known, but in any event no later than within 3 years after the event giving rise to the claim, otherwise they will be excluded. DURMONT only is liable for the damage typically foreseeable at conclusion of the contract. The agreed warranty period shall not be extended due to remedy of defects.

11. If acceptance of the goods is not performed in due time, we are at our sole discretion entitled to charge the purchase price on the expiry of a 10 days period, to draw from the contract or to claim damages. The same applies if no delivery time has been agreed and the customer despite request does not perform acceptance of the goods within a 10 days period.

12. Terms of payment: upon invoicing date according to agreement. Receipt of payment will be deemed the date on which our account is credited with the due sum.

13. All goods supplied by us to the customer shall remain property of DURMONT until the purchase price has been completely paid, incl. interests as well as any other cost arising from the collection thereof. In case of open account the retention of title shall apply for every good supplied by DURMONT until the entire debit balance has been paid by the customer.

Furthermore the retention of title shall apply until have been satisfied all claims, current and even future claims of DURMONT arising from all legal transaction with the customer. The customer is obliged to comply with the statutory provisions on preservation of title retention.

The customer is not entitled to any pledge or assignment of conditional goods to third parties. Should conditional goods be pledged or any other relevant rights are asserted by third parties, the customer is required to assert DURMONT's retention of title at its cost and notify us immediately.

For the duration of title retention the customer is obliged to insure the goods supplied by DURMONT under retention of title against common risks at full invoice value. Upon our request the insurance policy is to be tied to the beneficiary DURMONT.

If the goods delivered under retention of title are handled or processed by the customer, or if they are combined with other goods, DURMONT will obtain co-ownership in the so produced goods in proportion of the invoice value of the goods supplied by DURMONT to the value of the newly produced goods and/or services.

The resale of goods delivered under title retention to third parties, without or after combination, handling or processing, only may take place under explicit retention of title until the purchase price has entirely been paid by the third party.

All future claims of the customer arising from the resale of the goods supplied under retention of title by DURMONT must not be ceded under no circumstances to third parties, but are already now assigned in payment by the customer to DURMONT up to the amount of the agreed purchase price incl. interests and accompanying charges, regardless whether the goods, subject to title retention, are sold - without or after a combination, after handling or processing or to one or several purchasers.

As long as the customer meets his payment obligations, the customer himself is entitled to collect the claims assigned to us by way of undisclosed assignment.

The payments received by the customer to settle the claims assigned to DURMONT shall be deemed to be entrusted to the customer in escrow for DURMONT to the extent of the assignment shall be held separately for and paid to DURMONT without delay, irrespective of the terms of payment agreed with the customer and/or us.

Should the customer not meet his payment obligations in due time, DURMONT is entitled to take back the goods.

The charges of provision have to be beared by the customer.

For want of explicit contrary declaration by DURMONT the assertion of the title retention by DURMONT is not deemed as withdrawal from the contract

14. If until the completion of the order arise modified costs or if until the full payment shall be a change of the exchange rate EURO to the invoiced currency, we shall be entitled to modify the agreed price in a given case appropriately.

15. When are accepted bills of exchange or cheques the payment shall only be deemed as fulfilled when the respective amount has been credited to our accounts. We are not obliged to accept cheques or bills of exchange or to bear the respective rights arising from the acceptance of cheques or bills of exchange. Discount and expenses are at the customer's charge.

16. All customer payments are initially off-set against interests and charges, subsequently against the respectively oldest claim. Opposing instructions of the customer are ineffective.

17. In case the customer is in default of the payment of an invoiced amount or a due bill of exchange or cheque is not cashed, all due claims included bills and cheques to which we are entitled against him shall fall due for immediate payment.

18. As of the due date we are entitled to charge legal interest without particular notice of default. In addition the customer obliges himself to settle all costs incurred for reminders and collection due to the delayed payment.

19. The right of retention of payments or the offsetting with counterclaims not accepted by us is excluded.

20. Any claim assignment of the customer from the supply contract is excluded.

21. Should some of the above terms and conditions be ineffective, the validity of the other terms and conditions remain unaffected?

22. Austrian law applies for the contractual relations under exclusion of the UN CISG and excluding any and all principles on conflicts of law, such as IPRG and EVÜ.

23. Place of performance for all claims is Hartberg. It is deemed as agreed that the court of jurisdiction is the competent court for Graz, Innere Stadt. Our right of having recourse to the court at the customer's place of business remains unaffected.