



General Conditions of Business and Payment for total Business

1. The agreed sales price shall be based on wages, freight costs, official taxes and raw material prices applicable at that time. Any unforeseen change in these shall entitle the seller to revise the sales price.

2. Delivery and Acceptance

Delivery shall be effected by arrangement. In the event that the seller is behind schedule with the delivery, the purchaser shall grant an additional delivery time of four weeks. The additional delivery time can only be granted after the expiry of the delivery time and shall be calculated from the day on which written notification from the purchaser is sent by registered letter. When delivery of the goods sold or a part thereof is late, if no additional delivery time is granted within three days of the expiry of the delivery time, a tacit extension shall come into operation, to the effect that the balance is to be delivered within a period of the same length and in the same quantities as originally agreed for the delivery.

If due to the fault of the purchaser acceptance does not take place on time, the seller shall be entitled at his option either after granting an additional period of ten days at the longest to issue a statement of accounts or to withdraw from the contract or to demand compensation.

The seller shall be entitled, in the event of the purchaser delaying payment or of a considerable worsening of his financial circumstances, to withdraw from the contract without granting an extension and to exercise retention of title at any time.

The seller shall be entitled, after withdrawal from the contract and for the purpose of ascertaining the goods available, to enter the business premises and warehouse of the purchaser and to take stock.

The purchaser shall in this case be bound, at the seller's option to send the goods affected by right of retention to the seller at Muntlix or to deliver them to the seller or to an agent of the seller at the depository.

3. Interruption of Delivery and Acceptance

Force majeure or official measures which disrupt operations or impediments of any sort, shall entitle the seller and the purchaser to extend the delivery or acceptance times without further consideration by the duration of the impediment, but by eight weeks at the longest. Such an extension shall not apply, if the seller or the purchaser has not notified the other party of the impediment as soon as it becomes clear, that the delivery or the acceptance time cannot be adhered to.

4. Complaint of Defects

Complaints are to be made without delay and shall only be considered if they are made by the purchaser to the seller – not his commercial agent – in writing at the latest within eight days of receipt of the goods.

After processing of the goods supplied has begun all complaints are excluded.

Complaint goods may only be returned with the authorisation of the seller. If, however, no response is received within 10 days to a complaint by registered letter which threatens to return the goods, the purchaser shall be entitled to return the goods. This shall not signify acknowledgement of the purchaser's complaint.

In the event of an action for damages being brought for whatever reason, claims for loss of profits are excluded.

Complaints about customary or technically unavoidable variations in quality, colour, width, weight and finishing shall not be accepted. A colour difference between two pieces shall not be grounds for complaint. In the event of a justified complaint, the purchaser shall be entitled to an immediate single rectification or the supply of faultless replacement goods. Rectification or replacement must be effected within a maximum of three weeks after receipt of the returned goods.

As far as hidden defects are concerned, legal provisions shall apply.

5. Sample Pricing

Samples will be priced at the full sample design price. Sample discounts are not allowed.

6. Payment

The invoice shall be made out from the day of delivery or the day on which goods are ready. The seller shall choose the conditions of payment.

Bills, insofar as they are accepted in payment, are not deemed cash payment. They will only be accepted against reimbursement of the bank, discount and walking charges and credited reserving the due payment. Their term must not exceed three months.

Payment will always be used in discharge of the oldest due debts plus the accumulated interest thereon.

Accumulated interest will be calculated in the event of payment after due date. All reminder costs resulting from non-payment shall be charged to the purchaser.

Offsetting with disputed counter-claims is not permissible.

Rueff Textil GmbH • An der Frutz 1 • A-6835 Zwischenwasser/Muntlix

Tel. +43-5522-4923-0 • Fax +43-5522-4923-46 • www.rueff.at • e-mail: rueff@rueff.at

7. Place of Performance

Place of performance for delivery of goods is the premises of the supplying company; place of performance for payment is the seat of company of the seller. Place of jurisdiction is Feldkirch.

8. Retention of TitleThe seller shall retain title to the goods supplied until the purchase price has been paid in full. Pledging or the assignment of security in favour of third parties without the consent of the seller are excluded. In the case of pledging by third parties, the purchaser shall be bound to notify the seller of this immediately.

The seller shall be entitled to work and process the goods supplied. Working or processing shall take place for the seller without any obligation resulting for him from this.

If the goods supplied are worked, processed or combined with other goods which do not belong to the seller, he shall be entitled to the resulting joint ownership share of the item produced by working or processing in the ratio of the value of the goods supplied to the remaining processed goods at the time of processing or combination. If a new item is produced by working or processing or combination with other goods, the purchaser shall at this stage grant the seller, in the ratio of the subsequently processed or combined goods of retained title to the value of the new item, joint ownership of this item and shall hold it free of charge for the seller – until sold in the course of ordinary business. In the case of resale by cash sale, the proceeds obtained up to the amount of the still outstanding purchase price shall not become the property of the purchaser, who shall be obliged to keep the proceeds up to this amount separate and remit them without delay to the seller.

In the case of other forms of sale, the purchaser undertakes at this stage to make over to the seller the claim against his customer to which the resale entitles him up to the amount of the still outstanding purchase price and to advise the seller immediately of the resale, naming the customer.

9. Sample Copying

The purchaser undertakes to use the designs made available to him by the seller only for the order with him and not to make any copies himself or to have copies made by third parties.

10. Legal Basis

This contract shall be subject to Austrian law.