

## Terms and Conditions of Sales

### Article 1: Scope of Application

- 1) These Terms and Conditions of Sales apply exclusively vis-à-vis businesses. We recognise terms and conditions of the Buyer contradicting, or deviating from, our own terms and conditions only if we expressly agree to their application in writing.
- 2) These Terms and Conditions also apply to all future transactions with the Buyer as far as related legal transactions are concerned.

### Article 2: Offer and Conclusion of Contract

- 1) If an order can be considered an offer pursuant to Article 145 of the German Civil Law Code (BGB), we may accept the offer within two weeks.
- 2) All prices are quoted ex works, excluding packaging and sales tax (VAT), which, to the extent that it is incurred, shall be charged separately.
- 3) Orders, agreements and assurances, including those of our representatives and other company staff, require our written confirmation to be legally effective.
- 4) Unless otherwise agreed, the prices valid on the day of delivery shall be charged. For the purpose of pricing information, we will confirm and invoice sample orders at on-the-day prices. Unless a fixed-price agreement has been made, we reserve the right of reasonable price changes owing to changes in the cost of labour, materials and distribution for deliveries to be made three months or later after the conclusion of the contract.

### Article 3: Delivery and Risk Assumption

- 1) Delivery shall take place at the expense and risk of the Buyer. We reserve the right to determine the mode of transport.
- 2) Events of force majeure or shortage of raw materials, operational disruptions and other extraordinary events for which we are not liable, shall absolve us of all or parts of our obligation to deliver. In such an event, the Buyer shall have no right of compensation for non-performance.
- 3) In case of our non-compliance with guaranteed delivery times the Buyer shall give us notice, in writing and by registered mail, of a grace period of at least four weeks. In case of non-compliance with the grace period, the Buyer shall be entitled to withdraw from the contract. Consequential damage due to late delivery shall be limited to 15% of the purchase price.
- 4) Observance of delivery deadlines shall be conditional on the Buyer's performance of his contractual obligations. Our delivery obligation is suspended if the Buyer is in arrears with an obligation by more than thirty days. Orders must be absorbed on time in batches of goods in accordance with agreed schedules. In case the Buyer lags behind with retrieving agreed batches of goods we are entitled, after an appropriately timed grace period has expired, to put the corresponding amount of goods into storage at the Buyer's risk and expense, or to cancel the outstanding order deliveries.
- 5) Goods tendered by us and not accepted shall be deemed as performance of the contract.
- 6) Non-standard colours to match samples supplied by customers shall be accepted in full.
- 7) Call orders shall be accepted within one year unless otherwise agreed.

### Article 4: Conditions of Payment

- 1) The payment of the purchase price shall exclusively be made to one of the accounts listed overleaf. Cash discounts are permitted by written agreement only.
- 2) Unless otherwise agreed, the purchase price shall be paid within ten days following delivery. Default interest shall be charged the rate of 8% per annum above the base rate the European Central Bank.
- 3) Payment by bill of exchange shall be permitted only if agreed with us in advance. All expenses incurred shall be borne by the Buyer.
- 4) If a change in the financial situation of the Buyer occurs, especially if unfavourable information about his financial assets is received, if there is a delay in payments and in case of other non-agreed settlements we reserve the right to demand immediate payment of all outstanding invoices including current credit lines, and also to cancel the contract without granting a grace period.
- 5) Retentions of payments or offsets with any counter-claims are generally not permitted unless the counter-claims are recognised by us or legally enforceable.

### Article 5: Measurements

Calculation units are either square meters or English (Imperial) square feet with a franchise of up to 2% respectively.

### Article 6: Quality

Taking into account the fact that our goods are natural products, minor fluctuations of quality and product range and small colour deviations from an existing original colour are expressly excluded as a valid reason for a notice of defect.

### Article 7: Warranty, Notice of Defects and Manufacturer Redress, Compensation Claims

- 1) Notices of defect must reach us immediately, or at the latest one week after the goods arrive at their destination, in writing (registered mail) and in specified form. The Buyer shall, if necessary, check by way of a sample processing whether the goods are faultless and fit for the intended use. If he fails to conduct such a check, all our liability is eliminated, especially if he has processed the goods further.
- 2) In case of a justified notice of defect we reserve the right of supplementary performance within a reasonable period. If supplementary performance fails, the Buyer, without prejudice to any claims for damages, may withdraw from the contract or reduce his payment.
- 3) Warranty claims shall expire within twelve months following delivery of goods supplied by us to their destination. The foregoing provisions shall not apply insofar as the law bindingly prescribes longer time limits. Prior to any return of the goods our written consent must be obtained.
- 4) Assortments sold as inferior quality or as clearance items are not subject to warranty.
- 5) Claims by the Purchaser for expenses incurred for or the purpose of us providing supplementary performance, in particular the costs of transport, travel, labour and materials shall be excluded as far as the expenses are increased because the goods supplied by us were subsequently transferred to another place than the Buyer's business location, unless the transfer corresponds to the intended use.
- 6) Recourse of the Buyer against us shall exist only to the extent as the Buyer has not agreed better than the mandatory statutory warranty arrangements with his customer. The preceding paragraph analogously applies to the scope of recourse of the Buyer against us.
- 7) Damages or reimbursement of expenses by the Buyer, irrespective of their legal grounds, shall be excluded. This disclaimer does not apply in cases of damage caused intentionally or grossly negligently, in cases of slightly negligent breach of core contractual obligations, including by our representative or our vicarious agent, in this respect his liability is limited to the product-specific foreseeable direct average damage, in case of culpable violation of life, body or health of the customer under claims under the Product Liability Act .

### Article 8: Retention of Title

- 1) We retain the title of ownership to all purchased items until payment of all claims within the business relationship including claims originating from previous deliveries. The Buyer shall not commit or sell the reserved goods until full payment is made.
- 2) Permitted only is the processing and sale in the ordinary course of business. For that eventuality, the Buyer even now assigns all claims against his customer to us up to the amount of our claims. We shall have the right, and upon our request the Buyer is also obligated, to advise his customer about the assignment in writing.
- 3) If our reserved property expires through processing, we hereby, for our security, receive co-ownership of the product manufactured by the Buyer and do so according to the ratio of its value to the value of the goods supplied by us. When selling to third parties under retention of title the Buyer is obligated, upon request, to reveal our co-ownership of the goods to the purchaser.
- 4) If reserved goods of the Buyer are impounded, he shall inform us immediately and make third parties aware of our right. All costs incurred by our intervention shall be borne by the Buyer. We shall be entitled to execute the rights under retention of title at any time and to recover the reserved goods without notice or request.

### Article 9: Applicable Law and Place of Jurisdiction

- 1) This contract and the entire legal relations between the parties are subject to the laws of the Federal Republic of Germany under exclusion of the UN Sales Convention (CISG). In case of ambiguity between the English and German versions of the contract and these Terms and Conditions of Sales the German version takes precedence.
- 2) The place of performance and exclusive place of jurisdiction for all disputes arising from this contract shall be the place of business of the Seller, unless otherwise stated in the order confirmation.

### Article 10: Final Provisions

- 1) Additional agreements and contract amendments shall be valid only in writing.
- 2) Obvious calculation errors, typing errors or other apparent mistakes may be corrected by us even after the transaction with no disadvantages created for us.
- 3) If individual provisions of this contract are or become invalid (even if they are affected by the conditions of sale) or contain an omission, the remaining provisions shall be unaffected. The Parties undertake to replace the invalid provision with a legally valid provision which best reflects the economic purpose of the invalid provision or remedy the omission.