

## **General Terms and Conditions of Sale of Danzer Deutschland GmbH, 01723 Kesselsdorf**

### **I. Scope of validity**

1. These General Terms and Conditions of Sale (“GTC”) apply exclusively. Any terms and conditions of the Purchaser conflicting with or derogating from these GTC will only be applied if we have consented to this in writing.
2. These GTC apply for entrepreneurs (section 14 German Civil Code (BGB)), legal persons governed by public law, as well as special funds under public law (öffentlich-rechtliche Sondervermögen) (“**Purchaser**”).

### **II. Offer and conclusion of contract**

1. Our offers are made without obligation. A contract only comes about with our written confirmation of an order or our performance of the delivery.
2. We retain full ownership rights and copyrights to illustrations, drawings, calculations and other documents we attach to our offer or the order confirmation.

### **III. Prices**

1. Unless otherwise explicitly agreed, the agreed prices do not include the statutory VAT. The VAT will be payable at the statutory rate and stated separately in the invoice.
2. Where prices are given in our offer documents or other documents without a separate designation, they are to be understood to be EXW Zschoner Ring 34, Kesselsdorf (Incoterms 2010) plus packaging and VAT at the statutory rate in force at the time.

#### IV. Transport and transfer of risk

1. Unless otherwise explicitly agreed, EXW Zschoner Ring 34, Kesselsdorf (Incoterms 2010) will be deemed to be the agreed upon place of delivery.
2. Where the Purchaser is in default of acceptance, culpably fails to perform a necessary act of cooperation or the delivery is delayed for another reasons for which the Purchaser is responsible, we will be entitled to demand compensation for the damage incurred thereby. This applies in particular to the costs incurred for storing those goods that were not accepted for the duration of the delay.
3. Should damaged goods be delivered to the Purchaser, the Purchaser will be obliged to ascertain the damage and assert compensation claims against the carrier without delay.

#### V. Delivery, delivery period and excess and short deliveries

1. Delivery periods and delivery deadlines are only agreed upon if we have confirmed them in writing.
2. Delivery periods we have confirmed are subject to the condition that the primary materials needed to fill the order are delivered as per contract; this is only intended to exclude liability to the extent we bear no fault for the delivery being late or not in accordance with the contract.
3. We are entitled to make partial deliveries.
4. Since wood is a natural product, the actual production volume from a certain volume of wood cannot be calculated in advance with certainty. Unless otherwise explicitly agreed, we are therefore entitled to make excess or short deliveries in the amount of 10% of the delivery volume ordered against a corresponding adjustment of the purchase price.
5. In order to be able to keep the prices as low as possible for our purchasers, for each order we only stock the amount of wood that is sufficient for the manufacture of the products ordered in the course of a typical production process. It can occur in rare cases that due to the quality of the stocked wood, the number of products that can actually be manufactured falls short of the number of products that are to be manufactured under the contract. Where the number manufactured is less than

90% of the number of products ordered, we will have the right to deliver only the number actually manufactured and deliver the remaining number of products subsequently without delay. To this end we will, without delay, (i) stock up on additional wood, (ii) produce the products that are still missing and (iii) deliver them to the customer. This can lead to delays with regard to the delivery date that was originally agreed upon. The Purchaser hereby declares its consent to a postponement of the delivery date to the necessary extent with regard to such a subsequent delivery.

## VI. Payment terms

1. Unless otherwise explicitly agreed, the agreed purchase price will be due for payment upon delivery of the goods and receipt of a proper invoice. The Purchaser will be in default of payment without prior warning once 30 days have elapsed since the delivery of the goods and receipt of a proper invoice. The date on which we receive payment will be decisive for determining the timeliness of the payment.
2. Payments must be made to the bank account designated in the invoice.
3. Credit notes for checks and bills of exchange will be valid at all times subject to the receipt of payment; the credit will be granted with the value date of the day on which we can dispose of the equivalent value. Additional costs arising from the acceptance of bills of exchange or checks, in particular transaction fees, will be borne by the Purchaser.
4. The Purchaser will be entitled to set off or retention only to the extent its claim is res judicata, is undisputed, is ready for a decision or has been acknowledged by us. Rights of retention will be limited to the contractual relationship involved in each case.
5. We are entitled to sell accounts receivables from our business relations.
6. If the buyer is in delay with any payment obligations to us, all outstanding receivables will become due immediately.

## VII. Non-timely acceptance by the Purchaser

1. If no delivery date has been bindingly agreed upon, the Purchaser must accept the goods within 10 days of receipt of our notification of completion. Where a delivery date has been agreed upon, the Purchaser must accept the goods on the agreed delivery date.
2. If the Purchaser culpably exceeds the acceptance date set out in No. VII.1 by more than one month, we will be entitled to demand lump sum damages with regard to that part of the delivery which is affected by the default in the amount of 0.5 % per working day up to a total amount of 5% of the order sum affected by the default. We will be entitled to provide proof of a greater damage, and the Purchaser will be entitled to provide proof of a lesser damage.

## VIII. Warranty rights

1. Unless otherwise explicitly agreed within the framework of the specifications, deviations from the agreed specifications which are within standard tolerances and do not impair the agreed or customary purpose of use do not comprise defects. This applies in particular for a loss of strength or width of the products, which cannot be precluded since wood is a natural product.
2. Due to the fact that the wood used is a natural product, and certain of its qualities cannot be influenced, any resultant lack of uniformity of the colour or the veneer does not represent a defect. This also applies to re-orders.
3. The Purchaser is obliged to inspect the goods immediately after they are delivered to it and before the goods are processed. Reference is explicitly made to section 377 German Commercial Code (HGB).
4. Should the Purchaser complain about the goods, it will be obliged to give us an opportunity to examine the goods in question without delay. Upon request, the Purchaser will provide us with the goods in question or a sample thereof at our expense. Should the complaint be unfounded, i.e. the Purchaser does not prove that the delivered good was defective at the time of the transfer of risk, we will be entitled to a claim against the Purchaser for reimbursement of the costs we incurred in this connection.

5. The Purchaser will store the goods properly. This means in particular taking the technical particularities of wood into account. In particular, the temperature, the relative air humidity, moisture, cold and balancing humidity must be taken into consideration. The Purchaser is hereby explicitly informed that a failure to take such particularities into consideration can lead to detrimental effects on the stability, as well as the overall quality of the goods.
6. The period in which defect rights can be asserted by the Purchaser is one year as of transfer of risk unless the defective goods were not used for a structure in accordance with their agreed upon or customary manner of use and this caused their defectiveness.
7. The period of one year as of transfer of risk also applies for claims due to tort which are based on a defect of the goods.
8. Notwithstanding the above provisions, the legal statute of limitations applies to the extent that claims are asserted for damage arising from the breach of a guarantee or injury to life, limb or health, for intent and gross negligence, as well as under legally mandatory liability such as under the Product Liability Act (*Produkthaftungsgesetz*).

## IX. Retention of title

1. Up to the complete payment of all of our current and future receivables under the purchase agreement, as well as an ongoing business relationship (“**secured receivables**”) the sold goods will remain in our ownership.
2. This retention of title will remain in effect even if individual receivables against the Purchaser are included in a revolving account and the balance has been drawn and acknowledged.
3. The goods which are under retention of title may not be pledged to third parties or conveyed as collateral or given as gifts until the secured receivables have been paid in full.
4. However, the Purchaser will be entitled to use the goods in the ordinary course of business. If the goods are further processed, mixed or combined within this scope, we will be deemed to be the manufacturer and our retention of title will extend to the goods resulting therefrom. Should retention rights of third parties exist in

connection with a processing, mixing or blending of the goods, we will acquire co-ownership of the processed, mixed or combined goods in the proportion of the invoice value of the various processed, mixed or combined goods to each other. Otherwise, the same will apply for the product thus created as for the goods which are under retention of title.

5. Should the goods be resold in the ordinary course of business, the Purchaser's receivables against its end-customer from the resale are here and now assigned to us; in the case of processed goods in the proportional amount. The assignment of the receivables will be limited in amount to our receivables from the delivery of the resold or processed goods. The Purchaser will only be entitled to resell the goods under retention of title subject to the proviso that the purchase price receivable from the resale passes to us in accordance with the above provision. We here and now accept this assignment.
6. The Purchaser is empowered to collect the receivables that have been assigned to us pursuant to No. IX. 5. At the same time, our authorisation to collect from the end-customer remains unaffected. We will refrain from availing ourselves of our authorisation to collect as long as the Purchaser meets its payment obligations to us. Upon request, the Purchaser must inform the debtors of the assigned receivables and notify the respective debtor of the assignment.
7. The Purchaser must inform us in writing without delay if an application for the opening of insolvency proceedings against it is filled or if goods in our ownership or receivables of the Purchaser that were assigned to us, are accessed by third parties e.g. by way of attachment.
8. We undertake to release the security items to which we are entitled in accordance with the above provisions, at our option, insofar as their value exceeds the secured claims by more than 10%.
9. The Purchaser is obliged to protect the goods under retention of title against reduction in value and insure them at its own expense against fire, burglary and theft, as well as water damage, in the amount of their present value. Insurance claims are here and now assigned to us in the amount of the value of the goods in our ownership or in the amount of the remaining secured receivables. We accept this assignment.

## X. Ownership of the tools

Where we make tools for the manufacture of the goods for the Purchaser or have them produced or procure them, unless otherwise explicitly agreed upon, these tools remain exclusively in our ownership.

## XI. Liability

Our liability for damage arising in connection with this contract is excluded. This does not apply

- in case of a breach of a material duty under this contract which is such that the contract can only be executed if it is fulfilled, where the damage for contracts such as this one is typical and foreseeable,
- if a guarantee has been assumed,
- in cases of mandatory liability (in particular in the case of claims pursuant to the Product Liability Act)
- if the damage was caused by intentional or grossly negligent conduct by us, one of our vicarious agents or representatives
- as well as for loss or damage arising from injury to life, limb, or health.

This provision does not affect the statutory allocation of the burden of proof.

## XII. Confidentiality

The parties may not publish the business and trade secrets of the respective other party of which they obtain knowledge in the course of the business relationship or disclose them to third parties or otherwise make them accessible. The parties undertake to conclude written confidentiality obligations with all of their employees, representatives, authorised agents and vicarious agents, the scope of which must correspond to or exceed the duty of confidentiality contained in this contract.

## XIII. Place of performance

Unless otherwise explicitly agreed, the place of performance for all obligations is Kesselsdorf.

#### XIV. Written form clause

Amendments and supplements to this contract must be in written form. This also applies to any amendment or waiver of this written form requirement. No oral side-agreements exist.

#### XV. Choice of law

The legal relationship between the parties is governed solely by German law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 and to the exclusion of international private law.

#### XVI. Agreement on place of jurisdiction

The exclusive place of jurisdiction for all claims in connection with the contract, as well as those arising from the business relationship of the parties, is Dresden. This does not affect our right to bring actions against the Purchaser at its general place of jurisdiction.