

General Terms and Conditions for Purchase Agreements of the company Schröder Küchen GmbH & Co. KG

§ 1 General provisions - Scope

- (1) Any and all translated versions of these General Terms and Conditions are intended as assistance only. Solely the German version of these General Terms and Conditions shall be legally binding.
- (2) Our General Terms and Conditions apply exclusively; we do not accept any conflicting or deviating terms and conditions of our customer, unless we have expressly agreed to their applicability in writing in advance. Our Terms and Conditions shall also apply where we execute deliveries to our customer without reservation in the knowledge that the terms conditions of our customer conflict or deviate from our own.
- (3) All agreements entered into between us and the customer for the purpose of the execution of this contract shall be set out in writing in this contract.
- (4) Our Terms and Conditions shall only apply for our dealings with entrepreneurs as defined by Section 310 (1) of the German Civil Code BGB).

§ 2 Offer - Offer documents

- (1) Where an order is considered an offer in accordance with Section 145 of the German Civil Code (BGB), we may accept the offer within a period of 2 weeks.
- (2) We reserve the property rights and copyrights in any figures, drawings, cost estimates and other documents. This shall also apply for written documents specified as "confidential". The customer requires our express written consent before forwarding such documents to third parties.

§ 3 Prices - Payment terms

- (1) Unless otherwise specified in the order confirmation, our prices shall be "ex works", excluding packaging; this is charged separately.
- (2) Our prices do not include statutory VAT; this is stated separately on the invoice at the statutory rate on the day of invoicing.
- (3) The deduction of an early payment discount is subject to a separate written agreement.
- (4) Unless otherwise specified in the order confirmation, the purchase price is payable net (without deductions) within 30 days from the invoice date. The statutory provisions shall apply to defaults in payment.
- (5) The customer shall only have a right of set-off, where their counter-claims are final and absolute, undisputed or have been accepted by us. Apart from that, the customer is authorised to exercise their right of set-off where their counter-claim is based on the same contractual relationship.

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§ 4 Delivery period

- (1) Commencement of the delivery period stated by us is subject to clarification of all technical issues.
- (2) In addition, compliance with our delivery commitments is subject to the timely and due fulfilment of any customer obligations. The right to refuse performance on the basis of the non-fulfilment of contracts remains reserved.
- (3) Where the customer is in default of acceptance or culpably breaches any other obligations to cooperate, we are entitled to demand compensation for any resulting damage, including additional expenses. We reserve the right to assert any further claims or rights.
- (4) Where the requirements set out in Subsection (3) are met, the risk of accidental loss or accidental deterioration of the items will pass to the customer at the moment the customer's default of acceptance or debtor's default commences.
- (5) We are liable in accordance with the statutory provisions, to the extent that the underlying purchase agreement qualifies as a fixed date transaction as defined by Section 286 (2) No. 4 of the German Civil Code (BGB) or Section 376 of the German Commercial Code (HGB). We are also liable in accordance with the statutory provisions where the customer is entitled to assert that their interest in the further performance of contract has discontinued due to a delay in delivery caused by us.
- (6) In addition, we are liable in accordance with the statutory provisions where the delay in delivery is caused by an intentional or grossly negligent breach of contract on our part; any fault of our authorised representatives or vicarious agents shall be attributed to us. Where the delay in delivery is caused by a grossly negligent breach of contract on our part, our liability for damage compensation shall be limited to the foreseeable, typically occurring damage.
- (7) We shall also assume liability in accordance with the statutory provisions where the delay in delivery caused by us results from a culpable violation of a material contractual obligation; in this case, however, damage compensation shall be limited to the foreseeable, typically occurring damage.
- (8) Further statutory claims and rights of the customer shall remain unaffected by this.

§ 5 Transfer of risk - Packaging costs - final acceptance

- (1) Unless otherwise specified in the order confirmation, delivery "ex works" is considered agreed.
- (2) Special regulations shall apply for the return of packaging.
- (3) Where requested by the customer, we will take out a transport insurance to cover delivery; the incurring costs will be borne by the customer.

§ 6 Liability for defects

- (1) Claims for defects on part of the customer are subject to the proviso that the obligations to inspect and give notification of defects as defined in Sections §§ 377, 378 of the German Commercial Code (HGB) have been met by the customer.
- (2) Where the purchase item is defective, the customer is entitled to choose the form of supplementary performance at their own discretion, either by elimination of defects or by replacement with a new defect-free item. In case of an elimination of defects or a replacement

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delivery, we are obligated to bear all expenses incurring for the purpose of subsequent performance, i.e. in particular any costs incurring for transport, road charges, labour and material, unless these costs increase due to the fact that the purchase item was brought to a location other than the place of delivery.

- (3) If subsequent performance fails, the customer may at their own discretion choose to either withdraw from the contract or demand a reduction.
- (4) We are liable in accordance with the statutory provisions, where the customer asserts damage claims based on intent or gross negligence, including the intent or gross negligence of our authorised representative or vicarious agents. Where we are not charged with an intentional breach of contract, liability for damage compensation shall be limited to the typically occurring damage.
- (5) We are liable in accordance with the statutory provisions where we culpably violate a material contractual obligation; however, also in this case, damage compensation shall be limited to the foreseeable, typically occurring damage.
- (6) Where the customer is otherwise entitled to assert damage compensation in lieu of performance due to the negligent breach of an obligation, our liability to provide compensation is limited to the foreseeable, typically occurring damage.
- (7) Liability on account of culpable loss of life or injury to limb or health shall remain unaffected of this; this also applies to mandatory liability in accordance with the Product Liability Act.
- (8) Unless specified otherwise above, liability is excluded.
- (9) The limitation period for claims for defects is 12 months, from the transfer of risk. This shall not apply where the purchase item causing the defect is normally used in buildings.
- (10) The limitation period in case of a delivery recourse as defined in Sections 478, 479 of the German Civil Code (BGB) shall remain unaffected of this; this is five years, starting from the delivery of the defective item.

§ 7 Total liability

- (1) Further liability for damages than provided for in Section 6 is excluded - regardless of the legal nature of the claim asserted. This shall in particular apply to damage claims resulting from breaches of duty regarding contract conclusion, other breaches of obligations or else due to tortious claims for compensation of material damage as defined by Section 823 of the German Civil Code (BGB).
- (2) The limitation in accordance with Subsection (1) shall also apply where the customer demands reimbursement of useless expenditure instead of performance.
- (3) Insofar as liability for damages on our part is excluded or restricted, this shall also apply with regard to the personal liability for damages of our employees, workers, agents, authorised representatives and vicarious agents.

§ 8 Assurance of retention of title

- (1) We shall retain title to the purchase items until receipt of all payments based on the delivery contract. If the customer acts in a way contrary to the contractual obligations, in particular in case of a default

General Terms and Conditions for Purchase Agreements of the company Schröder Küchen GmbH & Co. KG

in payment, we have the right to revoke the purchase item. A revocation of the purchase item by us constitutes a withdrawal from the contract. After revocation of the purchase item, we are authorised to exploit it; the proceeds thereof shall be set off against the accounts payable by our customer - minus reasonable costs for the implementation.

- (2) The customer is obligated to handle the purchase item with care; the customer is in particular obligated to insure such items against damage from fire, water or theft at sufficient reinstatement value. Where maintenance and inspection activities are required, the customer must carry these out at their own expense.
- (3) In the event of attachment or other third-party interventions, the customer must notify us immediately in writing, enabling us to file a suit in accordance with Section 771 of the German Code of Civil Procedure (ZPO). Where the third party is not able to refund any court and out-of-court costs incurring for the suit in accordance with Section 771 ZPO, the customer shall be liable for our loss.
- (4) The customer has the right to resell the purchase items in the ordinary course of business; however, they hereby assign any and all claims resulting from the resale over the total invoice amount (including VAT) to us - owed to the customer by their customers or third parties - regardless of whether the purchase item has been resold without or after processing. The customer shall continue to be entitled to enforce such claims also after they have been assigned. Our authority to enforce such claims ourselves shall not be unaffected by this. We, however, undertake not to enforce such claims as long as the customer meets their payment obligations resulting from the collected proceeds, the customer is not in default of payment and above all no application has been filed on the opening of settlement or insolvency proceedings or where payments have been suspended. In such event, however, we may request the customer to notify us about the assigned claims and the relevant debtors, to provide all information required for collection, submit the corresponding documents and communicate the assignment to the debtors (third parties).
- (5) In all cases, the purchase items are processed or transformed by the customer on our behalf. If the purchase item is processed together with other items not owned by us, we shall obtain co-ownership in the new item in ratio of the value of the purchase item (final invoice amount, incl. VAT) to the other processed items at the time of the processing. Apart from this, the same shall apply for the item created by processing as for the purchase item supplied under retention of title.
- (6) If the purchase item is inseparably mixed with other items not owned by us, we shall obtain co-ownership in the new item in ratio of the value of the purchase item (final invoice amount, incl. VAT) to the other mixed items at the time of the mixing. If such mixing is done in such a way that the item of the customer can be regarded as the primary item, it is hereby agreed that the customer shall transfer co-ownership rights to us on a proportionate basis. The customer shall hold the sole ownership or co-ownership item thus created on our behalf.
- (7) To secure our claims against the customer, the customer shall also assign any and all claims resulting against a third party by connecting the purchase item with real property.
- (8) At the request of the customer, we undertake to release the securities to which we are entitled insofar as the realisable value of our securities exceeds the secured claims by more than 10%; the choice of the securities to be released is within our scope of responsibility.

Schröder Küchen

Schröder Küchen GmbH & Co. KG, Oeppings Brink 7, 32278 Kirchlengern



QUALITY. MADE IN GERMANY.

32278 Kirchlengern

Oeppings Brink 7

Tel. +49 (0) 5223/9735-0

Fax +49 (0) 5223 / 973535

www.schroeder-kuechen.de

info@schroeder-kuechen.de

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§ 9 Place of jurisdiction - Place of performance

- (1) Where the customer is a businessperson, our registered office is the place of jurisdiction; we however have the right to also sue the customer at their local court.
- (2) The law of the Federal Republic of Germany shall apply; the assertion of UN sales law is excluded.
- (3) Unless otherwise specified in the order confirmation, our registered office is the place of performance.