

## General Terms and Conditions

### § 1 Area of application

1. Our Delivery and Payment Conditions, with which our Client declared himself in agreement upon placing the order, shall apply exclusively. This shall also be the case for any future transactions; even if reference has not been made specifically, they shall be classed as acknowledged by the buyer with an order confirmed by us. If the order is issued which deviates from our Delivery and Payment Conditions, only our Delivery and Payment Conditions shall apply, even if we do not contradict the order. Deviations shall only apply if they have been expressly recognised by us in writing.

If the Buyer should not agree to the described policy, he shall inform us immediately and expressly in a separate letter. In this case, we reserve the right to withdraw the offer without giving the right to assert any claims against us. Our terms shall also apply to future business, even if they are not expressly referred to, provided only that they have been transmitted to the Buyer with an order confirmed by us.

2. Any agreements reached between the Seller and the Buyer in connection with the sales contracts are put down in writing in the purchase contract, the present terms and the order confirmation from the Seller.

3. The business relation between us and the buyer including any mutual claims resulting shall exclusively be subject to the following General Terms and Conditions as valid at the time of the order. We shall not acknowledge any deviating terms unless they have been expressly agreed to by us in writing on a case-by-case basis.

4. The relation between the contracting parties shall exclusively be governed by the applicable law of the Federal Republic of Germany. The application of the Uniform Law on the International Sale of Goods and the Convention on Contracts for the International Sale of Goods shall be excluded.

5. The place of jurisdiction, even for actions on bills and cheques, is Bünde or Cütersloh, at our choice. The buyer may also be sued at his domicile.

6. Should a regulation of these General Delivery and Payment Conditions be or become ineffective or inexecutable, the rest of the General Delivery and Payment Conditions shall remain unaffected thereby.

7. Right to assign  
We have the right to assign the claims of our business relationships.

### § 2 Place of Performance

The place of performance for all services based on the delivery contract shall be the Seller's place of business.

### § 3 Subject matter

1. Any sales will only be concluded on certain terms of delivery, amounts, goods and qualities. This shall be binding for both parties

2. Block orders shall, however, be admissible.

3. Redispositioning within the scope of the order placed shall only be admissible by mutual agreement. For all other purposes, a cancellation of orders shall be excluded.

4. Specifications, product data and usage criteria contained in catalogues, data sheets, material safety data sheets and other informational material provided to the Buyer by the Seller as well as product descriptions shall neither be deemed to be a warranty with regard to specific characteristics of the delivery or service, nor a mere agreement on the characteristics. Such agreements and warranties regarding characteristics shall be subject to an express agreement (§ 434 I p. 1 BGB [German Civil Code], § 434 I p. 2 No. 1 BGB). As to § 434 I S. 2 Nr. 2 BGB it is expressly declared, that the goods delivered are only intended for use in the furniture industry. Piece dyed goods shall be processed lot by lot. Colour deviations of up to 5 % are customary in the trade and thus are reasonable within the scope of the contract, and therefore, shall not give rise to complaints.

5. Any change requests of the Buyer after delivery of the goods shall be considered a new offer, which has to be accepted separately by the Seller.

### § 4 Delivery

1. The goods will be delivered ex works. Forwarding charges will be borne by the Buyer. The transfer of risk takes place on despatch of goods from factory / warehouse of the seller.

2. In case of delivery from a storage outside the factory, freight will not be charged ex works; instead a lump sum storage surcharge will be invoiced.

3. In case of rail transport no cartage or surface freight from the factory to the goods station will be charged. Buyers with a place of business at the location of the Seller shall not pay any transport charges; neither will transport charges from a distributing warehouse to a Buyer at the location of the distributing warehouse be invoiced.

4. Packing will only be invoiced if delivery is effected in packing cases or if the Buyer requests a special packaging. If the cases are returned freight paid within 2 months the amount charged for them will be credited to the Buyer. If returnable containers are used, the Buyer shall bear transport charges, while the Seller shall pay rental charges.

5. Partial deliveries not agreed in the order shall only be admissible subject to Buyer's approval.

6. The goods will be shipped without insurance unless agreed differently.

### § 5 Interruption of deliveries

1. In cases of force majeure, industrial disputes, actions of public authorities as well as business disruptions without default, which have or will presumably continue for more than 1 week, the term for delivery or acceptance respectively will be extended by the duration of such obstacle, however, by no longer than 5 weeks plus a term for subsequent delivery, without needing any further agreement. No extension shall be granted if the other party has not been informed on the reason for the non-performance without delay as soon as it became clear, that it would not be feasible to comply with the above-mentioned periods.

2. If the delivery or acceptance respectively is not effected within due time, the other contracting party has the right to withdraw from the contract. However, it has to give a notification to this effect at least 2 weeks prior to making use of this right of withdrawal by registered mail or by fax.

3. If the obstacle has continued over more than 5 weeks, and if the other contracting party is not immediately informed upon request that delivery or acceptance respectively cannot be effected, the other contracting party shall have the right to withdraw from the contract immediately.

4. Any claims for damages shall be excluded in the cases listed above.

### § 6 Extended period for delivery

1. In case of culpable delay in delivery the rights of the Buyer shall be governed by the legal provisions.

2. Transactions with a fixed delivery date must be agreed as such expressly and in writing.

### § 7 Payment

1. Our claims are assigned to the BFS finance GmbH, Verl. Payments can only be made with discharging effect only to the BFS finance GmbH. The bank details can be found in the invoice references.

2. Invoices shall be issued on the day of delivery or provision of the goods. A deferment of the invoice due date (value date) is in principle excluded.

3. Invoices shall be payable as agreed individually. Accordingly, the consequences of any payment defaults will also be agreed individually.

4. No interest on prepayments will be paid.

### § 8 Late Payments / Due-Date of Demands of the Factor from the Debtor

1. In the case of payment after the due-date, default interest of 8% above the Federal Bank Rate shall be applied. If the purchaser defaults on any payment obligations to us, all existing receivables shall become immediately due.

2. In case of full payment of invoice amounts due including default interest, the Seller shall no longer be obligated to any further performance based on any current contract.

3. If the Buyer is in default with a payment due or if a material deterioration in his financial circumstances occurs, the Seller shall have the right to claim cash payments prior to delivery of the goods for any outstanding deliveries from a current contract and cancel the term for payment.

4. In the event of default by the buyer with more than one liability, all claims of the seller against the Buyer shall become immediately due and payable.

### § 9 Form of payment

1. Payments will be made by cheque, transfer from a bank account, current account or by postal cheque.

2. A set-off is only possible against undisputed or legally binding claims.

3. If bills of exchange are accepted for payment, they will only be accepted against reimbursement of bank, discount and collection charges. Bills of exchange and acceptances with a term exceeding 3 months will not be accepted.

### § 10 Retention of title

1. Until payment in full of all claims resulting from the business relation between the Seller and the Buyer the goods delivered will remain the property of the Seller. Receipt of the countervalue by the Seller is considered as payment. In the case of payment by cheque/bill of exchange the retention of title shall persist until the bill of exchange has been discharged by the Buyer.

2. The Buyer shall be authorised to resell the retained goods in the ordinary course of business. However, he shall not be authorised to pledge the goods or transfer them by way of security.

3. The Buyer already now assigns his claims from a resale of the retained goods to the Seller and the Seller accepts this assignment. Notwithstanding the assignment and the right of the Seller to collect his claim, the Buyer shall be authorised to collect his claims as long as he fulfils his obligations towards the Seller and becomes unable to serve debt as scheduled. The Buyer shall provide the information required to collect the claims assigned upon Seller's request and inform his debtors of such assignment.

4. The Buyer shall perform any handling and processing whatsoever of retained goods for the Seller without any obligations arising for the Seller from the same. If retained goods are processed, combined, mixed or blended with other goods that do not belong to the Seller, then the Seller is entitled to co-ownership of the new goods commensurate with the invoice value of the retained goods to the value of the new goods, which they possess at the time of processing, combining, mixing or blending. Should the Buyer acquire sole ownership of the new goods, then the contracting parties hereby agree that the Buyer shall grant to the Seller co-ownership in the new goods commensurate with the value of the retained goods in any such new goods, which they possess at the time of processing, combining, mixing or blending, and that the Buyer shall keep the same in safe custody for the Seller free of charge.

5. If retained goods are resold together with other goods, whether or not they have been processed, combined, mixed or blended, then the aforementioned advance assignment, as agreed above, shall only apply to the amount of the value of retained goods that are resold together with the other goods.

6. The Buyer shall inform the Seller immediately of any judicial enforcement procedures of third parties concerning the retained goods or the claims assigned in advance and surrender all documentation necessary for intervention.

7. The Seller agrees to release the collaterals he is entitled to according to the above provisions upon request of the Buyer at his sole discretion as far as the value of the secured claims is exceeded by 10 %.

8. The Buyer shall not be authorised to assign any claims from the purchase contract without Seller's consent.

### § 11 Settlement of disputes

Any disputes arising from this contract shall be settled by the ordinary court or a court of arbitration as agreed. If sole jurisdiction of the court of arbitration has not been agreed, the court first seized shall have jurisdiction.

### § 12 Miscellaneous

If for any of the designs confirmed on the reverse the production volume required for the Seller and his production department should not be reached, the Buyer shall be offered corresponding alternate designs or the Seller shall have the right to cancel the designs concerned by notification to the Buyer. Binding dates cannot be confirmed if orders are received by the Seller at a time, when his dispositioning regarding the item concerned has not been completed yet. After dispositioning has been completed the Buyer shall be notified of the final date of delivery without delay. If the Buyer should be in default of his acceptance of goods or his payment obligations, the Seller may claim 15% of the matter as default damages in case an action or an execution has to be commenced abroad. The Buyer shall be given the opportunity to show that a damage or a depreciation of value has not occurred or is substantially less than the lump sum amount. Orders for fashion designs may be cancelled in whole or in part, if the Buyer at the same times provides substitute alternate dispositions provided orders have not been printed yet. The total order value, however, must remain unchanged.