

General Terms and Conditions Soendgen Keramik GmbH

§ 1 General

These General Terms and Conditions (GTC) apply to all current and future business relationships. Deviating, conflicting or supplementary terms and conditions shall not be valid, even if known, unless their validity is explicitly confirmed in writing. Customer rights in connection with the contract are non-transferable.

§ 2 Offer and Order Confirmation

- (1) Prices offered by us are determined on the basis of the quantities requested and specified in our offer for the individual items; they are only valid if such quantity is ordered for delivery in one consignment.
- (2) Technical changes as well as changes in form, colour and / or weight are reserved within reason.

§ 3 Prices

- (1) Confirmed prices are valid only to acceptance of the confirmed quantity. Sales prices offered by us in writing are only binding if our offer is accepted unchanged by written order without delay - at the latest, however, within 10 days.
- (2) To all other contracts, the list prices valid on the day of delivery shall basically apply.
- (3) The agreed prices shall be net in Euro ex works, plus value added tax (VAT) valid on the day of delivery.

§ 4 Delivery

- (1) General
Delivery is made at the expense and risk of the customer. Partial deliveries shall be permitted to a reasonable extent. The choice of the transport route and the means of transport remains reserved to us, unless the customer expressly determines otherwise in writing. If carriage paid delivery is agreed, we deliver free to place of unloading but not unloaded.
- (2) Packaging
The goods are packed as agreed or by commercial standard. EURO pallets must always be returned. The same applies in the case of pickup by carriers. If pallets are not returned, their accounting will be carried out at the current day rate.

- (3) A corresponding credit note will only be issued on freight-free return of the pallets. Thus, deductions for pallets prior to their receipt cannot be accepted.
- (4) **Transport and Breakage Insurance**
Insurance to cover damage in transit, transport losses and breakage are only possible at the explicit request of the customer at his expense and for his account. Claims notifications must be made immediately after receipt of the goods, however at the latest within 8 days after receipt of the goods, and must be confirmed in writing with regard to type and scope. Obvious transport damages and shortages must be determined immediately upon receipt of the consignment through factual report or equal documentary evidence and must be certified on accompanying papers (bill of lading) etc. Claims for damages against third parties will be assigned to us on our demand.
- (5) **Delivery Time**
If the customer is in default of acceptance or culpably violates his obligation to cooperate, we will be entitled to claim for the corresponding damages incurred to us, including any additional expenditure. If we are prevented from delivery due to force majeure, strike or other unforeseen obstacles that we cannot avert despite proper diligence which can be reasonably expected under the circumstances, and regardless of occurrence in our company or in one of our suppliers or in one of their sub-suppliers companies, the delivery time will be reasonably extended, even if delivery was already delayed. If the delivery subsequently becomes impossible or unreasonable due to one of the aforementioned events, we will be entitled to withdraw from the contract.
- (6) Delivery times shall be non-binding, unless the delivery times have been explicitly confirmed.
- (7) In case that purchased goods are collected by the customer or a carrier instructed by the customer, the delivery time is considered to be met if the ordered goods are ready for dispatch and the customer is informed accordingly. If the delivery is delayed for reasons within the customer's responsibility, the risk is transferred to the customer on the day of informing about readiness for dispatch. If take-over by the customer is not made on the specified delivery date despite a reminder, we will be authorized to dispatch the goods at the expense and risk of the customer.

§ 5 Payment Terms

- (1) Unless agreed otherwise, our deliveries are due and payable at the latest within 30 days after invoice date. In case of payment credited to our bank account within 8 days

after invoice date, we grant a discount of 2 % onto the goods value under the precondition that all former invoices are paid at the time.

- (2) Our invoices must be reviewed immediately after receipt. Any complaints to the invoices, in particular with regard to individual prices, must be submitted within 8 days in writing.
- (3) Set-off shall only be admissible with regard to claims that are undisputed by us or have been finally determined by a court.
- (4) The right to retention is expressly excluded as far as it is not based on the same contractual relationship.
- (5) If the customer's payment is delayed by over 30 days as of due date and invoice receipt, customer shall pay interest at a rate of 9 % points above the current base rate of the German Federal Bank (Deutsche Bundesbank). We reserve the right to claim for higher default damages. In the event of breach of contract on part of the customer, in particular in case of delay in payment, we will be entitled, after imposing a reasonable respite, to reclaim the purchased goods. The retraction of the purchased goods shall be considered as a withdrawal from the contract. All claims, including such claims for which we already accepted a bill of exchange on account of payment, will become due immediately. In the event of withdrawal from the contract, we are entitled to claim for compensation of expenditures. This compensation can be claimed, even without concrete proof of the amount of expenditure, with a lump sum of 35 % of the purchase price. The right to assert an unusually high damage in individual cases by giving corresponding evidence remains unaffected. The customer reserves the right to prove that only considerably lesser or no damage at all was caused.
- (6) Furthermore, we are entitled to perform any outstanding deliveries against advance payment or security deposit only; further claims due to withdrawal from the contract and for compensation remain unaffected.

§ 6 Defect Claims and Liability

- (1) The customer is obliged to inspection of the delivered goods immediately after receipt and before a potential reuse in terms of compliance with the subject matter of the contract, completeness and non-deficiency. Complaints for obvious defects, shortages and false deliveries must be submitted to us in writing immediately, however 8 days after receipt of the goods at the place of destination.
- (2) Negotiations about complaints shall under no circumstances be construed as a waiver of the right to plead that the complaint was not timely or not substantiated.

- (3) In the event of defects, our defects liability shall be as follows:
 - (3.1) By excluding further claims, we will at our own discretion either rectify or replace the defective goods. If it becomes certain that rectification or replacement is unreasonably delayed, impossible or unsuccessful, the customer may proportionately decrease the purchase price or withdraw from the contract.
- (4) Our obligation to guarantee shall be suspended as long as the customer is in default with regard to any payment obligations resulting from other contractual transactions. The same shall apply with regard to the defective goods, if there is reasonable doubt about the customer's solvency.
- (5) All defect claims shall lapse within one year from the transfer of risk.

§ 7 Damage Claims

- (1) In the event of intent or gross negligence on our part or on part of our representatives, assistants and auxiliary persons, we shall be liable in accordance with the statutory provisions; the same shall apply in the event of culpable violation of material contractual obligations. Material contractual obligations are timely delivery of the goods, freedom of defects in material and in title of the goods which impair the functionality and usability more than insignificantly, as well as obligations concerning advisory services, protection and care which are meant to allow the customer to use the goods as intended or which serve to protect life and limb of the customer or to protect the customer's property from considerable damage. Unless there is an intentional breach of contract, our liability shall be limited to foreseeable and typically occurring damages.
- (2) The liability in relation to culpable violation of life, limb, body or health as well as liability according to the German Product Liability Act (Produkthaftungsgesetz) shall remain unaffected.
- (3) Unless explicitly determined otherwise above, our liability shall be excluded.

§ 8 Retention of Title

- (1) Delivered goods shall remain our property until full payment of all accounts receivable, irrespective of their legal basis, in the event of submitting a bill of exchange until respective encashment, even if payments are effected to particularly specified receivables. In case of a current account, the reserved property is deemed as security for our account balance.

- (2) The customer is entitled to resell the purchased goods in the normal course of business; the customer hereby assigns in advance to the amount of invoice total (including VAT) any accounts receivable against his buyers or third parties arising from the resale, irrespective of whether the goods are resold without or after further processing. The accounts receivable assigned in advance by the customer shall also relate to the recognized account balance, in the event of a buyer's bankruptcy also to the existing causal balance. The customer remains authorized to realize such accounts receivable after assignment. Our authorization to realize such accounts receivable ourselves remains unaffected. We are obliged, however, not to realize such accounts receivable as long as the customer meets his payment obligations arising from the incoming proceeds, is not in default of payment, in particular does not file for bankruptcy or restructuring, or ceases payment. In such events we are entitled to demand from the customer to disclose the assigned accounts receivable and the respective third party debtors as well as all information that is needed for realization, to hand over corresponding documentation and to notify the third party debtors of the assignment.

In case of seizure or any other intervention by third parties, the customer is obliged to immediately inform us in writing in order to enable us to take legal action pursuant to § 771 German Civil Procedure Act (ZPO). If any third party is unable to reimburse the judicial and extra-judicial costs of such legal action pursuant to § 771 German Civil Procedure Act (ZPO), the customer will be liable for any loss resulting from this.

- (3) If the value of the securities provided to us exceeds our claims by more than 20% in total, we will be obliged, on the customer's demand, to release securities at our own choice.

§ 9 Place of Performance and Jurisdiction

- (1) The place of performance for the deliveries shall be the respective place of dispatch. The place of performance for any obligation of the customer shall be Wachtberg-Adendorf. Bonn is agreed as the place of jurisdiction (venue) for both contractual parties.
- (2) The agreement on jurisdiction shall also apply in the event that the customer does not dispose of a place of general jurisdiction in Germany.

§ 10 Miscellaneous

- (1) These General Terms and Conditions of sale and supply as well as the entire contractual relationship between us and the customer shall be governed by and construed in accordance with the laws of Germany only with exception of the laws on

the international conflict of laws, in particular of the UN Convention on Contracts for the International Sale of Goods.

- (2) If one or more provisions of the contract with the customer, including these General Terms and Conditions, are or become invalid or void in whole or in part, the validity of the remaining provisions shall not be affected. The entirely or partially invalid or void provision shall be replaced by such valid provision, the economic success of which comes closest to the invalid or void provision.

§ 11 Language application

These General Terms and Conditions are published in the English language for your convenience only. For the avoidance of doubt, in any case the German version of the respective General Terms and Conditions shall prevail.