

**General Business Terms of
Kettaker GmbH & Co. KG
Manufacture of Furniture**

04.09.2014

I. Contract execution

- 1.1 In case of a written or oral order, the Purchaser shall be bound to the offer of contract for 14 days. The contract is deemed concluded upon expiry of this term, unless Kettaker has previously rejected such offer of contract in writing.
- 1.2 Additional or deviating agreements require to be made in writing. This shall also be applicable for a change in this written form requirement. Quotations made by Kettaker shall generally be non-binding.

II. Reservation of changes

Standard furniture is sold as presented in the showroom or in the catalogue and supplied in compliance with the samples as possible. Customary, minor deviations in colour, grain, pattern or shape are deemed as in compliance with the contract. Changes in design or technical changes are reserved, unless such change is unreasonable for the Purchaser in consideration of Kettaker's interests.

III. Prices and terms of payment

- 3.1 The prices are fixed prices ex works, excluding VAT and incidental services, and - in the absence of deviating agreements - shall be due 14 days upon the date of the invoice, proportionately in case of partial deliveries. Invoices shall also be due for payment in case of unsuccessful delivery attempts, if the Purchaser was informed of the delivery before and has failed to notify any impediments in due time. In case of deficiencies in the purchased goods or their assembly, the Purchaser shall be entitled to retain a reasonable amount of the purchase price in accordance with the type of deficiency and impairment to use the purchased goods.
- 3.2 Incidental services are additional services, e.g. transport, special packaging, delivery and additional assembly work.
Should the payment due dates be exceeded, default charges in the amount of 1 % above the base rate per month. If the Purchaser is an entrepreneur, the default charge amounts to 1.5 % above the base rate per month.
- 3.3 The Purchaser shall only be entitled to set off counterclaims which are undisputed, recognized or asserted at law.

IV. Delivery and transfer of risk

- 4.1 Risk shall pass onto the Purchaser when the purchased goods leave Kettnaker's premises. Should the ordered furniture be transported by Kettnaker's own vehicles and/or staff, Kettnaker shall forward any claims for reimbursement of the existing liability insurance to the Purchaser if an insurance cover exists. Should the ordered furniture be transported by commissioned carriers, Kettnaker shall assign any claims for damages against the carrier(s) to the Purchaser.
Should Kettnaker deliver furniture to the Purchaser's premises by own vehicles and/or a carrier acting on Kettnaker's behalf, the Purchaser shall be obliged to provide staff and technical facilities (fork-lift trucks, etc.) for unloading the furniture to a reasonable extent at the Purchaser's own expense. Should this obligation not be observed, Kettnaker shall be entitled to retain the goods.
- 4.2 Kettnaker shall be entitled to perform partial deliveries of completely operational units and/or individual sets of furniture to a reasonable extent.
- 4.3 As regards deliveries abroad, any additional expenses, in particular customs duties, shipping papers, import VAT etc. shall be for the Purchaser's account, even if delivery free to the Purchaser's address has been agreed upon. This shall also be applicable to additional transport cost from the border to the destination.
- 4.4 If lifts cannot be used, additional cost may be charged for deliveries as from the third floor.
- 4.5 If the Purchaser or the Purchaser's customer is absent at the delivery date despite prior notice, and if this was not immediately notified beforehand, Kettnaker shall be entitled to claim any additional cost incurred by this in accordance with the rates specified in items 8.3 and 8.4, in particular for additional delivery attempts or storage, as appropriate.
- 4.6 The Purchaser shall be liable for all information provided by the end customer, irrespective of whether this information was provided to Kettnaker through the Purchaser or directly.

V. Delivery term

- 5.1 In the absence of a reminder, Kettnaker shall only be in default if a binding delivery date on a specific calendar day is exceeded. In this case, the Purchaser shall grant a reasonable grace period of at least 4 weeks. In case of force majeure events, unforeseeable circumstances or other unforeseeable disturbances of Kettnaker's or their suppliers' business operations, which are not avertible by due diligence on the part of Kettnaker or their suppliers in the circumstances of the case, the delivery dates shall be postponed by a reasonable period.
- 5.2 Kettnaker shall be released from the obligation to perform if delivery is not possible within a reasonable grace period. Should Kettnaker have entered an appropriate hedging transaction with their suppliers with regard to the performance of the Purchase Contract, Kettnaker shall not be obliged to deliver if the supplier is unable to deliver. Kettnaker shall immediately inform the Purchaser on this fact and immediately return already paid sums, if any.
- 5.3 Kettnaker shall be entitled to refuse delivery, if - upon execution of the Contract - facts become known which make the Purchaser's consideration seem endangered due to the Purchaser's insufficient performance capability and/or financial standing. In this case, delivery shall only take place if the Purchaser pays in advance or provides reasonable security. Kettnaker shall be entitled to set a reasonable deadline for advance payment or security provision and withdraw from the Contract upon expiry of the deadline. The setting of a deadline is dispensable if the Purchaser has fraudulently or negligently withheld information on the facts already known or negligently not known to the Purchaser upon Contract execution.

VI. Assembly

- 6.1 The Purchaser shall be liable for information provided by the Purchaser or the Purchaser's customers, in particular for any dimensional data and other information relating to the design, production and assembly of furniture as well as to the suitability of the assembly environment, especially walls, ceilings and connections. Any additional cost incurred due to incorrectly provided information or an inappropriate assembly environment shall be borne by the Purchaser. The Purchaser shall be responsible for the correctness of information provided by the Purchaser; the Purchaser shall in particular be liable for any additional cost incurred by a violation of this obligation to cooperate.
- 6.2 Kettnaker employees shall neither be obliged nor authorized to perform work exceeding the agreed delivery, positioning or assembly of the purchased goods.

VII. Retention of title and withdrawal from the Contract

Any deliveries shall be performed by Kettmaker with retention of title. Any goods delivered shall remain Kettmaker's property until their full payment and settlement of claims of already performed services, if the Purchaser is an entrepreneur. Kettmaker shall undertake to return all securities upon the Purchaser's request if and when the value of such securities exceeds the secured claims by over 20 %. The selection of the securities to be released shall be in Kettmaker's discretion. In the case of a resale of contractual goods, the Purchaser shall hereby assign any claims and ancillary rights to Kettmaker by way of security.

Except for a withdrawal which is possible at any time, the Purchaser shall be entitled to collect the assigned claims. As long as Kettmaker's title to the goods exists, Kettmaker shall be entitled to satisfy themselves of the proper treatment and storage of the goods at the relevant site at any time and collect them upon setting a grace period as appropriate without any withdrawal from the Contract being related to this.

The Purchaser shall bear any cost of a necessary collection of the goods; this shall also extend to a repeated delivery, if any.

VIII. Withdrawal from the Contract

8.1 Should the Purchaser not accept properly ordered goods or should the Purchaser declare that the Purchaser will not accept such goods prior to their delivery - verbally or in substance, or by non-response to a relevant written request containing a relevant notice regarding the legal consequences of this paragraph, Kettmaker may withdraw from the Contract without further notice and claim compensation in lieu of performance. As a lumpsum compensation, Kettmaker may claim 30 % of the order price without deduction. This shall also apply to the case of a withdrawal by Kettmaker pursuant to item 5.3.

8.2 In case of delayed payment on the part of the Purchaser, or in the case as described in item 5.3., Kettmaker shall be entitled to claim compensation, in particular for expenses, transfer for use to third parties and depreciation, as follows:

8.3 For expenses incurred due to the Contract, e.g. transport to and from the Purchaser as well as assembly cost, etc. Kettmaker shall receive compensation in the amount incurred. The hourly rate for each employee amounts to EUR 50.00 plus VAT, the travel allowance is EUR 0.90 per kilometre plus VAT. These costs shall also be applicable to the remaining cases mentioned in these General Business Terms according to which the Purchaser shall bear cost.

- 8.4 For depreciation and transfer for use to third parties of the goods delivered, the following fixed rates shall apply: Furniture:
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| within the 1st half-year | 30 percent of the order price without deductions |
| within the 2nd half-year | 40 percent of the order price without deductions |
| within the 3rd half-year | 50 percent of the order price without deductions |
| within the 4th half-year | 60 percent of the order price without deductions |
| within the 3rd year | 65 percent of the order price without deductions |
| within the 4th year | 70 percent of the order price without deductions |
| within the 5th year | 75 percent of the order price without deductions |
| within the 6th year | 80 percent of the order price without deductions |
- 8.5 On the one hand, Kettnaker shall be free to provide evidence of and assert claims for higher damage instead of accepting the fixed rates for compensation, expense and depreciation; on the other hand, the Purchaser shall be free to claim and provided evidence of a lower damage on the part of Kettnaker. Should the Purchaser be in default in taking delivery, the Purchaser shall pay the storage cost incurred after a default period of over 14 days. Storage cost amount to EUR 5.00 per unit and day.

IX. Warranty for consumers

Kettnaker warrants that all products are manufactured in compliance with the latest state of technology at the time of order placement.

If the Purchaser is a consumer, we warrant that our products remain free from defects for a period of two years for new goods and one year for other products, in particular exhibited goods. Our warranty period shall generally commence upon handover. Used furniture is in particular defined as exhibited goods designated as such. As a consequence, exhibited goods may show signs of wear over time, which do not represent deficiencies even if not describe in detail.

In case of any defect in our product, the end customer shall have the right of choice of supplementary performance by defect remedy or replacement. Kettnaker, however, shall be entitled to refuse the selected supplementary performance if this is related to unreasonable expense and/or cost. Disproportionate expense is particularly assumed with regard to replacement, if the unimpaired fitness for use of the goods is also ensured upon defect remedy.

If two attempts of supplementary performance are unsuccessful, supplementary performance is deemed failed. In this case, the end customer shall be entitled to assert the rights provided to the end customer by law. The right of withdrawal is excluded if there is only a minor defect. A minor defect is defined as one not affecting the fitness for use of the goods.

Further claims on the part of the end customer are excluded for whatever legal reason.

X. Warranty for trade customers

If the Purchaser is an entrepreneur, we warrant that our product shall be free from defects for a period of one year. Our warranty period shall generally commence upon delivery from our works. Any extension of the warranty period, even on a statutory basis, is excluded.

Should any defects be detected within the warranty period, Kettmaker shall be entitled to attempt to remedy them twice. Should two remedy attempts fail, we shall be entitled to replace the defective goods.

In case of a failed supplementary performance, the Purchaser shall be free to either reduce the purchase price or withdraw from the Contract. Further claims on the part of the Purchaser, in particular for consequential damage due to defects shall generally be excluded.

XI. Liability

Kettmaker shall be liable for damage resulting from any injury to life, limb or health in case of wilful intent, gross and slight negligence of their legal representatives and/or agents as well as for all other damage resulting from the violation of contractual or non-contractual obligations only in case of gross negligence and wilful intent of their legal representatives and/or agents. In case of delictual claims, Kettmaker shall not be liable if their agents were selected carefully. Kettmaker shall not be liable for orally provided information or consultation unless this was explicitly confirmed in the individual case.

Exclusions of liability according to the present General Business Terms shall not apply to claims resulting from the product liability law.

XII. Data protection

12.1 The Purchaser agrees that personal data included in the Purchase Contract are only used for internal processing and/or evaluation and not disclosed to third parties.

12.2 Kettmaker shall be entitled to obtain credit information from SCHUFA [German credit investigation company] or another information agency. The Purchaser explicitly consents to this.

XIII. Place of jurisdiction and performance

13.1 For commercial transactions, the place of jurisdiction for legal disputes arising from the contractual relationship is Riedlingen.

13.2 If the Purchaser does not have a place of residence in Germany or relocates its place of residence from Germany, or if the Purchaser's place of residence or usual residence is not known at the time of the filing of an action, the place of performance and jurisdiction shall always be the place of Kettmaker's headquarters.

XIV. Should one or more provisions of these General Business Terms be or become invalid, the validity of the remaining provision shall not be affected by this. The invalid provision shall be replaced by a provision which comes closest to the intended purpose of the invalid one.