

## General Terms of Sale

### 1. General Provisions; Scope

The following General Conditions of Sale (GCS) are only valid for deliveries and services of Porcelaingres GmbH, Vetschau (Germany) and for entrepreneurs as customers.

The following GCS apply to all deliveries from Porcelaingres GmbH, Vetschau (Germany) within Germany and also to orders from abroad. The offers of Porcelaingres GmbH, Vetschau (Germany) are without engagement and non-binding, unless we have expressly indicated that an offer is binding. Our General Terms of Sale are also binding if the contractual partner refers in his order to his own general terms and conditions which contradict ours. Any terms and conditions of the other party that conflict with or deviate from our General Terms of Sale shall not be recognised and shall not form an integral part of the contract.

Commercial agents who broker orders for us are also not entitled to agree to general terms and conditions or other contractual rules that deviate from the following GCS.

### 2. Order, Order Confirmation, Contract

A contract is concluded by the customer's order (offer) and our order confirmation (acceptance). We can accept an order within 2 weeks after receipt. Offers on our part which precede an order by the customer are always non-binding. An order confirmation by us that is different from the original order constitutes a new offer. This offer is deemed to be accepted if the customer - in the case of a merchant - remains silent and does not object to the commercial letter of confirmation.

### 3. Transfer of Risk

Our deliveries for orders are generally ex works. Deviating agreements must be agreed individually and in writing. If the goods are dispatched to the contracting party at the request of the contracting party, the risk of accidental loss or accidental deterioration of the goods shall pass to the contracting party upon dispatch to the contracting party, at the latest upon leaving the warehouse. This applies regardless of whether the goods are shipped from the place of delivery and regardless of who pays the shipping costs.

### 4. Disposal of Packaging

The regulations of the Packaging Ordinance apply to the disposal of packaging, with the exception of pallets. The Customer is obliged to arrange for disposal of the packaging at his own expense.

### 5. Delivery Dates, Liability in Case of Delay, Force Majeure

If the customer defaults in acceptance or culpably violates other ancillary obligations, we are entitled to demand compensation for the damage and additional expenses incurred by us. The right to make further claims is reserved. Delivery dates stated by us are generally not binding, unless otherwise agreed. No liability is assumed for the duration of transport by a forwarding agent or parcel service appointed by us. In the case of delivery periods promised as binding, they only begin with the dispatch of the order confirmation, provided that any required or agreed advance payments or actions of the contractual partner have been fulfilled in good time and in a proper manner. We shall only be in default after a reasonable grace period has been set in writing. We are not responsible for delays in delivery and performance due to force majeure or other events which make delivery more difficult or impossible for us, e.g. strikes, lockouts, fire, water damage, trade embargo, catastrophes and other cases of force majeure, even in the case of bindingly agreed delivery dates. The contractual partner can withdraw from the contract for this reason. If immediate delivery has been agreed, the customer can expect the goods to be dispatched no earlier than 3 days from the receipt of the order confirmation, provided that the goods are available in stock. Subsequent changes to the contract shall lead to an appropriate extension of the delivery period, if this has been bindingly agreed.

### 6. Payment, Default of Payment

Place of payment is Vetschau/Spreewald. Our prices are ex works, unless otherwise stated in the order confirmation. Value added tax is not included in our prices. It is shown separately in the invoice in the statutory amount. All discounts require separate written agreement. Unless otherwise stated in the order confirmation, the purchase price is due for payment without deduction within 10 days of the receipt of invoice. The statutory provisions on default of payment shall apply. If the contractual partner defaults on payment, we shall be entitled to charge default interest at the statutory rate, subject to proof of higher damages. Furthermore, we reserve the right to withhold the deliveries in progress and executed those only after complete payment and advance payment has been made.

### 7. Maintenance and Cleaning of Porcelain Stoneware Tiles

With regard to the maintenance and cleaning of tiles with natural, structured and polished surfaces, the instructions for first cleaning after installation and the instructions for regular maintenance cleaning are binding and are sent to the customer on first order and can be found on our website. The manufacturer's instructions for the cleaning agent used must be observed.

### 8. Laying of Porcelain Stoneware Tiles

The installation instructions for porcelain stoneware tiles are binding and are sent to the customer on first order and can be found on our website.

Professional installation is indispensable if an optimum final result is to be achieved. Our porcelain stoneware tiles can be glued or laid with mortar cement. The selection of the suitable adhesive agent or mortar and its application are based on the manufacturer's specifications and must be observed.

### 9. Compensation

The customer's counterclaims can be satisfied only when these are legally grounded, undisputed or acknowledged by us.

### 10. Reservation of Ownership, Assignment by Way of Security

We reserve title to the delivered goods until all claims from the current business relationship have been settled in full.

The customer is obliged to inform us, immediately and in writing, in the event of seizures, insolvency application, or other similar interventions by third parties. The customer is entitled to resell the goods in the ordinary course of its business. However, he hereby assigns to us as security all claims against third parties arising from the resale in its favour. Processing of the goods by the customer is always to be undertaken on our behalf. If the goods are combined with a piece of land, the customer hereby assigns to us as security all claims against third parties arising from the combination of the goods with a piece of land in its favour.

The aforementioned assignments of security are limited in amount to the amount invoiced by us for the resold or processed goods. We accept the assignments. The customer remains entitled to collect the claim, but we reserve the right to collect the claims ourselves as soon as the customer defaults on payment. We undertake to release claims assigned as security at the customer's request to the extent that their realisable value exceeds the claim to be secured by more than 10 %.

### 11. Warranty for Defects, Statute of Limitations

For 2nd or 3rd choice goods (i.e. colour differences, quality deviations in material and quality), which are marked as such, all warranty

claims for defects are excluded, as they are not defects.

The same applies to defects and damages which can be attributed to operational and age-related wear and tear and normal wear and tear, improper use, operating errors, fire, lightning, moisture or other processing errors.

Products of the brand Porcelaingres are produced following the patterns and colours of natural materials. Variants in patterns and nuances of the colouring are therefore special quality features and do not represent a defect.

The customer's rights in the event of material defects presuppose that, in the case of a commercial transaction, the customer must inspect the goods immediately after delivery, insofar as this is feasible in the ordinary course of business, and if a defect becomes apparent, and must notify us without delay. If the customer fails to notify us, the goods shall be deemed approved except in the case of a defect that could not be detected during the inspection. If such a defect is discovered at a later stage, the notification must be made immediately after discovery, otherwise the goods shall also be deemed to have been accepted as free from defects in spite of this defect. Timely issuance of notification is sufficient to preserve the rights of the customer.

The provisions of the above paragraph shall not apply if the defect was fraudulently concealed by us.

In all other respects, the statutory warranty regulations apply to the sale and delivery of wall and floor tiles.

The statutory periods for the sale and delivery of wall and floor tiles shall apply to the limitation period for claims based on defects. The limitation period begins with the delivery of the goods to the customer.

## **12. Arbitration and Disputes Over Material Defects**

If no agreement can be reached between the parties in the event of disputes regarding alleged defects in our goods, regarding their existence or their removal, or regarding the reduced value of delivered goods (including disputes about payment of the full purchase price in the case of defects, with the exception of the reminder proceedings initiated by us for incomplete or late payment of the purchase price), the dispute shall be settled by a publicly appointed and sworn expert acting as an arbitrator. If the parties cannot agree on a certain expert within 2 weeks after being requested by one party, a publicly appointed and sworn expert shall be appointed by the Cottbus Chamber of Commerce and Industry, which shall be binding for both parties. The party subject to the expert's findings bears the costs incurred by the expert; in the case of partial victory, the costs are distributed between the parties in proportion to the respective victory and defeat. The expert's findings are binding for the parties with regard to the question of the existence or non-existence of the defects. The evaluation and a judicial review in accordance with paras. 317, 319 BGB is only permissible on the grounds of obvious inaccuracies.

However, an arbitral award shall not be obtained if the economic damage is lower than the expected costs of the arbitral proceedings.

## **13. General Limitation of Liability**

We shall not be liable for negligent breaches of contractual obligations, unless these are essential contractual obligations. The exclusion or limitation of liability shall not apply to damages resulting from injury to life, body or health resulting from a negligent breach of duty on our part or from an intentional or negligent breach of duty by a legal representative or vicarious agent of ours. The exclusion or limitation of liability shall also not apply to other damages which are based on a grossly negligent breach of duty on our part or on an intentional or grossly negligent breach of duty by a legal representative or vicarious agent of ours.

## **14. Arbitration Agreement**

With the exception of disputes which concern our claim to timely and complete payment of the purchase price, without these being cases of defects or reminder proceedings initiated by us due to incomplete or late payment of the purchase price, and disputes relating to defects - all of which shall remain under the state jurisdiction, all disputes arising from the contracts concluded with the customer, including disputes about their validity, with the exception of the cases mentioned in art. 12, shall be settled in accordance with the Arbitration Rules of the German Institution of Arbitration (DIS) to the exclusion of due process of law and application of the substantive law of the Federal Republic of Germany. The arbitral tribunal shall consist of 3 arbitrators. The place of arbitration shall be Cottbus. The language of the proceedings shall be German. The arbitral tribunal will also make a decision on costs.

## **15. Copyright**

The copyrights belong to Porcelaingres GmbH, Vetschau (Germany), and Porcelaingres GmbH, Vetschau (Germany) thus reserves all rights. Text, pictures, graphics, sound, animation and videos as well as their arrangement on the materials and websites used by Porcelaingres are protected by copyright and other intellectual property laws. The content of the materials used by Porcelaingres as well as the website of Porcelaingres may not be copied, distributed, changed or made accessible to third parties for commercial purposes. We also point out that the pictures used by Porcelaingres in the materials and on the websites of Porcelaingres are partly subject to the copyright of third parties. The General Conditions of Sale and the website of Porcelaingres do not grant a license to use the intellectual property of Porcelaingres or of third parties.

## **16. Place of Jurisdiction**

For merchant-customers, the place of jurisdiction shall be the relevant court for the registered office of the company in Vetschau.

Orders and deliveries are subject to the law of the Federal Republic of Germany. The application of the International Sales Law is excluded. The place of performance shall be Vetschau, at our discretion.

## **17. Severability**

If any provision of the contract with the Client, including these General Conditions of Sale, should be totally or partly ineffective or should become so, this will not affect the validity of the remaining provisions. The wholly or partially invalid provision is to be replaced by whatever provision comes closest to the business purpose of the invalid provision.