

General Terms and Conditions of Sale (GTCS) - Germany

1. General, scope

Our offers are without obligation and subject to confirmation, unless expressly agreed otherwise. These terms remain effective and in full force and binding for the contractual relationship with us even if any of the terms or conditions should be found to be legally invalid. These terms apply even if the contracting party in its order makes reference to its own general terms of business. Any conflicting or deviating terms and conditions of the customer will not be accepted by us unless we have expressly approved of them in writing. This also applies in the event that any commercial agents or other representatives acting on our behalf have agreed to any deviating terms or conditions. Any such approval shall only be valid for the specific order to which it relates. Our terms of sale apply even if we are aware of any conflicting or deviating terms or conditions and make a delivery to the customer without reservation. Our terms and conditions of sale also apply to any future transactions with the customer. Our terms of sale apply only to businessmen.

2. Order, order confirmation, contract

A contract shall have been concluded as a result of an order placed by a customer (offer) and an order confirmation issued by us (acceptance). We can accept an order within two weeks of receipt thereof by us. Offers made by us prior to the customer's order shall always be without obligation. An order confirmation by us which deviates from the order shall be a new offer. Such new offer shall be deemed accepted if the customer has failed to object thereto within a period of ten days after receipt of such order confirmation or if the customer is aware of a deviating order confirmation and takes delivery. Any promise of contract modification or other agreement made by distribution agents or other procurers working for us shall not be effective unless after our written confirmation. Goods delivered earlier do not constitute confirmation. A confirmation of this type is only valid for the case to which it relates.

3. Supply of the quality SPECIAL THICKNESS only if expressly ordered

Unless otherwise indicated in the order or in the order confirmation, a contract regarding goods in normal thickness shall be in place; consequently, no goods of the quality referred to as SPECIAL THICKNESS in our catalog and our price lists will be delivered.

4. Passing of risk

Our deliveries for order of 2 tons and more shall generally be made free buyer's address. Deliveries of less than 2 tons shall be made ex works, unless otherwise indicated in the order confirmation. If the goods, upon request of the contract party, are shipped by us, the risk of accidental loss or accidental deterioration shall pass to the contracting party when the goods are shipped, at the latest when the goods leave our warehouse. This shall apply regardless of whether the goods are shipped from the place of performance and who will bear the transportation costs. We will take out a transportation insurance for the goods only if expressly requested by the contracting party, who will bear the costs thereof.

5. Disposal of packaging

Transportation and other packaging according to the German Packaging Ordinance may not be returned to us, except pallets. The person placing the order shall dispose of all packaging at his own expense.

6. Delivery dates, liability in the event of a default in delivery, force majeure

If the customer should be in default of acceptance or in breach of any ancillary obligations through a fault on his part, we shall be entitled to demand compensation of any losses and any additional expenses incurred by us. The right to assert further losses is hereby reserved. Our delivery dates are without obligation. No liability shall be assumed for the duration of the transport by a parcel carrier acting on our instruction. Terms of delivery for which a binding confirmation has been given shall start with the dispatch of the order confirmation provided all required or agreed conditions precedent have been met by the contracting party as agreed or within time. We shall be in default only after we have been allowed a written extension of time of at least 30 days. Defaults in delivery or in the provision of services as a consequence of a case of force majeure or due to any other events which make delivery difficult or impossible, for example, strike, lockout, fire, water damage, trade embargo, disaster and other cases of force majeure, including if suffered by a supplier, shall release us of the obligation of meeting dates of delivery for which we have made a binding commitment. The contracting party may not claim any damages on account of this. The right of either party to withdraw from the contract shall remain unaffected. If an immediate delivery has been agreed upon, the customer may not demand shipment prior to the expiration of three days after receipt of the order, provided the goods are available. Any subsequent modifications of the contract shall result in a reasonable extension of the time for delivery. If we should be in default of delivery, the customer's claim to damages for default of delivery shall be limited to maximum 5% of the delivery value; the customer's claim to damages in lieu of performance shall be limited to any foreseeable typical losses, unless we are charged to have acted with intent.

7. Payment, default in payment

Place of payment shall be Vetschau / Spreewald. Our prices are valid for deliveries free buyer's address with our 2-ton logistics / ex works for orders of less than 2 tons, unless otherwise indicated in the order confirmation. Value-added tax is not included in our prices. Value-added tax will be indicated separately in our invoices at the applicable statutory rate. Deduction of discount shall require separate written agreement. Unless otherwise specified in our order confirmation, the purchase price shall be due for payment without any deductions within 30 days of the date of the invoice. The statutory provisions concerning default in payment shall apply. If the contracting party is in default of payment with respect to any sum, we are entitled to charge interest for delay at the rate of 8 percentage points above the basic rate of interest, subject to the submission of proof of higher damage. We also reserve the right to make any deliveries which are outstanding at such time only after payment of such sum and an advance payment.

8. Set-off

The customer is not entitled to set off a counterclaim unless the counterclaim has finally been determined by a court of law, is undisputed or has been acknowledged by us.

9. Retention of title, assignment for security purpose

We retain title to the goods delivered by us until full settlement of all claims from the ongoing business relationship. The customer is obliged to inform us promptly in writing in the event of any attachment or other interference by a third party. The customer is entitled to resell the goods in the ordinary course of business. However, the customer hereby assigns to us as security all claims which he may have arising from such resale. Any processing of the goods by the customer shall always be on our behalf. If, as a result of such processing, the goods are attached to real estate, the customer hereby assigns to us as security all claims he may have against a third party arising from such attachment of the goods to real estate. The above assignment for security purpose shall be limited to the amount invoiced by us for the resold or processed goods. We hereby accept such assignment. The customer remains entitled to collect the claim, but we reserve the right to collect the claim as soon as the customer is in default of payment. We agree to release any claims assigned to us as security at the request of the customer if and to the extent to which the realizable value thereof exceeds the claim to be secured by more than 10%.

10. Warranty for defects, liability, statute of limitations

Any warranty claims whatsoever shall be excluded for second or third choice materials (i.e., differences in color, differences in the quality of the material or constitution). Any rights of the customer in the event of a defective delivery shall require that the customer has fulfilled his duties to examine the goods and notify defects as set forth in Section 377

HGB (German Commercial Code), in particular prior to any processing of the delivered goods. Any defects shall be notified to us in writing by registered letter within seven days of delivery. Any defects which are not obvious and defects which cannot be detected by careful examination shall be notified by the contracting party in writing within seven days of their detection after delivery, latest however within the warranty period. If a defect is not notified within the above time limit, no warranty is granted for the goods having the defect. All products of the trademark Porcelaingres are, with respect to patterns and color designs, based on natural materials. Any variants in patterns and nuances of color are therefore special quality characteristics and do not constitute defects. The customer shall, to the extent that the purchased goods are defective, have a right to subsequent performance. Defects which occur within the warranty period and are notified in time will be made good by us, at our choice, either by repairing the defective goods or by delivering substitute goods. If such subsequent performance (repair of the defective goods or delivery of substitute goods) fails twice, the contracting party may, at its choice, demand a reduction of the purchase price or withdraw from the contract or claim damage. If a defective delivery should result in a breach of a material contractual obligation by intent or negligence or if the customer has a claim for damages in lieu of performance, we shall be liable for damages in accordance with the statutory provisions. In all other cases of a defective delivery, we shall be liable for damages in accordance with statutory provisions only to the extent that the defect is attributable to intent or gross negligence on our part, including any representatives or agents. Any claims for damages shall always be limited to foreseeable typical losses, except where we are charged to have acted with intent. This shall not affect liability in the event of death or personal injury caused by negligence on our part. The same applies to mandatory liability under the German product liability law. Any further liability shall be excluded. The period of limitation for claims under the warranty for defects shall, in principle, be 12 months from the date on which the risk passes to the customer. In all other respects, the statutory periods of limitation prescribed by the German Civil Code (BGB) shall apply. The statutory period of limitation in the event of recourse pursuant to Sections 478, 479 of the German Civil Code (BGB) shall remain unaffected. The contracting party shall compensate us for the expenses which are caused to us due to the fact that we take action upon receiving a notification of defect from the contracting party and it shall then be found that what the contracting party believed was a defect was in fact none.

11. Arbitrator's expert opinion in the event of disputes regarding defects

In the event of any disputes as to non-defectiveness or reduced value, if any, of the delivered goods, the parties shall initially obtain an arbitrator's expert opinion from a publicly appointed and sworn expert. In deviation from Section 319 of the German Civil Code (BGB), a court may fully the arbitrator's expert opinion. If the parties are unable to agree on an arbitrator, such arbitrator shall be appointed by the Chamber of Commerce and Industry in Cottbus upon the request of one of the parties. The costs of such arbitrator will be borne by the parties in proportion to the outcome of the proceedings. An arbitrator shall, however, not be appointed if the alleged defect is a delivery of a quantity less than agreed upon.

12. General limitation of liability

We shall not be liable for slight negligence in the breach of any contractual obligations unless such contractual obligations are material obligations. The same applies in the event of negligent default of any contractual obligations to the extent to which the contractual party has not suffered death or personal injury. In the event of death or personal injury, we are also liable if negligent breach of duty is attributable to us. Liability in the event of coarse negligence in default of duties by a simple servant (who shall neither be a legal representative nor an executive employee) shall be limited to the amount of the average damage that could be expected in accordance with the ordinary course of affairs. Any claims for damage which has not been caused to the delivered goods cannot be made on us except where intent or gross negligence are attributable to us or where we are liable under the guarantee of certain qualities. We shall not, however, be liable for damages that are attributable to the following: Normal wear and tear due to use or age, improper consumption, wrong operation, fire caused by lightning, moisture or other defects of processing. However, we shall not be liable for damage if such damage could have been prevented by ordinary care and attention of the contracting party.

13. Arbitration clause

Except for disputes relating to our claim for timely and complete payment of the purchase price, which shall be subject to the jurisdiction of courts of law, all disputes arising from contracts concluded with the customer, including any disputes relating to their validity, shall be finally decided in accordance with the arbitration rules of Deutsche Institution für Schiedsgerichtsbarkeit e.V. (German Institution for Arbitration - DIS) to the exclusion of the ordinary courts of and based on the substantive law of the Federal Republic of Germany. The arbitration tribunal shall consist of three arbitrators. Place of the arbitration proceedings shall be Cottbus. The language of the proceedings shall be German. The arbitration tribunal will also make a decision as to the costs of the proceedings.

14. Legal venue

Legal venue shall be the court of law with jurisdiction at the seat of the company in Vetschau. For customers who are not merchants, the agreement on the legal venue shall be limited to the judicial dunning proceedings. The law of the Federal Republic of Germany shall apply to all orders and deliveries. The UN Convention on Contracts for the International Sale of Goods shall not apply. Place of performance at our choice shall be Vetschau.

15. Severability

If any provisions of a contract with the customer, including these General Terms of Sale, should be or become invalid in whole or in part, the validity of the remaining provisions shall not be affected thereby. Any provision which is invalid in whole or in part shall be replaced by such a valid provision which, in terms of economic success, comes as close as possible to the invalid provision. We would like to thank you for your order; our order confirmation shall exclusively be governed by our terms and conditions of sale overleaf.

General Terms of sale - Worldwide

1. General, scope

Our offers are without obligation and subject to confirmation, unless expressly agreed otherwise. These terms remain effective and in full force and binding for the contractual relationship with us even if any of the terms or conditions should be found to be legally invalid. These terms apply even if a contracting party in its order makes reference to its own general terms of business. Any conflicting or deviating terms and conditions of the customer will not be accepted by us unless we have expressly approved of them in writing. This also applies in the event that any commercial agents or other representatives acting on our behalf have agreed to any deviating terms or conditions. Any such approval shall only be valid for the specific order to which it relates. Our terms of sale apply even if we are aware of any conflicting or deviating terms or conditions and make a delivery to the customer without reservation. Our terms and conditions of sale also apply to any future transactions with the customer. Our terms of sale apply only to businessmen.

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3. Supply of the quality SPECIAL THICKNESS only if expressly ordered

Unless otherwise indicated in the order or in the order confirmation, a contract regarding goods in normal thickness shall be in place; consequently, no goods of the quality referred to as SPECIAL THICKNESS in our catalog and our price lists will be delivered.

4. Passing of risk

Unless otherwise specified in the order confirmation, all deliveries shall be ex works. If the goods, upon request of the contract party, are shipped by us, the risk of accidental loss or accidental deterioration shall pass to the contracting party when the goods are shipped, at the latest when the goods leave our warehouse. This shall apply regardless of whether the goods are shipped from the place of performance and who will bear the transportation costs. We will take out a transportation insurance for the goods only if expressly requested by the contracting party, who will bear the costs thereof.

5. Disposal of packaging

Transportation and other packaging according to the German Packaging Ordinance may not be returned to us, except pallets. The person placing the order shall dispose of all packaging at his own expense.

6. Delivery dates, liability in the event of a default in delivery, force majeure

If the customer should be in default of acceptance or in breach of any ancillary obligations through a fault on his part, we shall be entitled to demand compensation of any losses and any additional expenses incurred by us. The right to assert further losses is hereby reserved. Our delivery dates are without obligation. Terms of delivery for which a binding confirmation has been given shall start with the dispatch of the order confirmation provided all conditions precedent have been met by the contracting party as agreed or within time. We shall be in default only after we have been allowed a written extension of time of at least 30 days. Defaults in delivery or in the provision of services as a consequence of a case of force majeure or due to any other events which make delivery difficult or impossible, for example, strike, lockout, fire, water damage, trade embargo, disaster and other cases of force majeure, including if suffered by a supplier, shall release us of the obligation of meeting dates of delivery for which we have made a binding commitment. The contracting party may not claim any damages on account of this. The right of either party to withdraw from the contract shall remain unaffected. If an immediate delivery has been agreed upon, the customer may not demand shipment prior to the expiration of three days after receipt of the order, provided the goods are available. Any subsequent modifications of the contract shall result in a reasonable extension of the time for delivery. If we should be in default of delivery, the customer's claim to damages for default of delivery shall be limited to maximum 5% of the delivery value; the customer's claim to damages in lieu of performance shall be limited to any foreseeable typical losses, unless we are charged to have acted with intent.

7. Payment, default in payment

Place of payment shall be Vetschau / Spreewald. Unless otherwise specified in the order confirmation, our prices shall be ex works, plus the cost of packaging. Value-added tax is not included in our prices. Value-added tax will be indicated separately in our invoices at the applicable statutory rate. Deduction of discount shall require separate written agreement. Unless otherwise specified in our order confirmation, the purchase price shall be due for payment without any deductions within 30 days of the date of the invoice. The statutory provisions concerning default in payment shall apply. If the contracting party is in default of payment with respect to any sum, we are entitled to charge interest for delay at the rate of 8 percentage points above the basic rate of interest, subject to the submission of proof of higher damage. We also reserve the right to make any deliveries which are outstanding at such time only after payment of such sum and an advance payment.

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Any warranty claims whatsoever shall be excluded for second or third choice materials (i.e., differences in color, differences in the quality of the material or constitution). Any rights of the customer in the event of a defective delivery shall require that the customer has fulfilled his duties to examine the goods and notify defects as set forth in Section 377 HGB (German Commercial Code), in particular prior to any processing of the delivered goods. Any defects shall be notified to us in writing by registered letter within seven days of delivery. Any defects which are not obvious and defects which cannot be detected by careful examination shall be notified by the contracting party in writing within seven days

of their detection after delivery, latest however within the warranty period. If a defect is not notified within the above time limit, no warranty is granted for the goods having the defect. All products of the trademark Porcelaingres are, with respect to patterns and color designs, based on natural materials. Any variants in patterns and nuances of color are therefore special quality characteristics and do not constitute defects. The customer shall, to the extent that the purchased goods are defective, have a right to subsequent performance. Defects which occur within the warranty period and are notified in time will be made good by us, at our choice, either by repairing the defective goods or by delivering substitute goods. If such subsequent performance (repair of the defective goods or delivery of substitute goods) fails twice, the contracting party may, at its choice, demand a reduction of the purchase price or withdraw from the contract or claim damage. If a defective delivery should result in a breach of a material contractual obligation by intent or negligence or if the customer has a claim for damages in lieu of performance, we shall be liable for damages in accordance with the statutory provisions. In all other cases of a defective delivery, we shall be liable for damages in accordance with statutory provisions only to the extent that the defect is attributable to intent or gross negligence on our part, including any representatives or agents. Any claims for damages shall always be limited to foreseeable typical losses, except where we are charged to have acted with intent. This shall not affect liability in the event of death or personal injury caused by negligence on our part. The same applies to mandatory liability under the German product liability law. Any further liability shall be excluded. The period of limitation for claims under the warranty for defects shall, in principle, be 12 months from the date on which the risk passes to the customer. In all other respects, the statutory periods of limitation prescribed by the German Civil Code (BGB) shall apply. The statutory period of limitation in the event of recourse pursuant to Sections 478, 479 of the German Civil Code (BGB) shall remain unaffected. The contracting party shall compensate us for the expenses which are caused to us due to the fact that we take action upon receiving a notification of defect from the contracting party and it shall then be found that what the contracting party believed was a defect was in fact none.

11. Arbitrator's expert opinion in the event of disputes regarding defects

In the event of any disputes as to non-defectiveness or reduced value, if any, of the delivered goods, the parties shall initially obtain an arbitrator's expert opinion from a publicly appointed and sworn expert. In deviation from Section 319 of the German Civil Code (BGB), a court may fully review the arbitrator's expert opinion. If the parties are unable to agree on an arbitrator, such arbitrator shall be appointed by the Chamber of Commerce and Industry in Cottbus upon the request of one of the parties. The costs of such arbitrator will be borne by the parties in proportion to the outcome of the proceedings. An arbitrator shall, however, not be appointed if the alleged defect is a delivery of a quantity less than agreed upon.

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Legal venue shall be the court of law with jurisdiction at the seat of the company in Vetschau. For customers who are not merchants, the agreement on the legal venue shall be limited to the judicial dunning proceedings. The law of the Federal Republic of Germany shall apply to all orders and deliveries. The UN Convention on Contracts for the International Sale of Goods shall not apply. Place of performance at our choice shall be Vetschau.

15. Severability

If any provisions of a contract with the customer, including these General Terms of Sale, should be or become invalid in whole or in part, the validity of the remaining provisions shall not be affected thereby. Any provision which is invalid in whole or in part shall be replaced by such a valid provision which, in terms of economic success, comes as close as possible to the invalid provision. We would like to thank you for your order; our order confirmation shall exclusively be governed by our terms and conditions of sale overleaf.