

General Conditions of Sale and Delivery of NOVO–TECH TRADING GmbH & Co KG, registered office in Aschersleben, HRB 20927, managing directors: Holger Sasse, Martin Erfurt, Siemensstrasse 31, 06449 Aschersleben, Tel. 03473–2250330, Fax: 03473–2250315 – referred to in the following as the Seller/Supplier

Version 2, Valid as of 8/2016

§ 1 Area of Validity

- (1) The following General Conditions of Sale and Delivery apply to all contracts concluded with the Seller for all deliveries and other services, such as consulting services solely towards business persons, legal entities under public law or special assets under public law pursuant to the meaning of section 310 para. 1 of the German Civil Code (BGB) insofar as nothing else is agreed in conjunction with the Tegernseer practices and the practices in the timber industry. These General Terms of Sale and Delivery also become a component of the contract for contracts concluded for wooden composites with a business person if they have not been received with the offer or the order confirmation or handed over to the business person at another time but the business person has known about them or must have known about them from earlier terms and conditions. Conditions of the Ordering Party/Buyer that oppose, reject, contradict, or deviate from our Conditions of Sale do not apply to contracts concluded with the Seller. They do not apply even if they are not expressly objected to. Thus, deviations are only applicable if they are expressly recognised by the Seller in writing.
- (2) These Conditions of Sale also apply to future transactions with the Ordering Party/Buyer insofar as it concerns a legal transaction of a related kind (the Conditions of Sale should be enclosed with the order confirmation in any case as a precaution).

§ 2 Offer, Conclusion of Contract and Confirmation Letter

- (1) Offers of the Seller/Supplier are subject to change insofar as they are not expressly labelled as binding, i.e. they are merely requests that offers be made.
- (2) The Seller/Supplier accepts orders in that it confirms them in writing or carries them out immediately or in a timely manner. This also applies to contracts concluded by the employees of the Seller/Supplier.
- (3) Should two intersecting confirmation letters of the Seller and the Buyer contain deviating provisions, then the confirmation letter of the Seller/Supplier is solely applicable.
- (4) Insofar as an order is to be seen as an offer pursuant to section 145 BGB, we can accept it within two weeks. Prior sale is always reserved.

§ 3 Provided Documents, Saving of Data

- (1) We retain our ownership and copyrights to all documents left with the ordering party in conjunction with the awarding of the order, such as calculations, drawings, etc.
- (2) The Buyer agrees to the saving and use of its personal/company-related data by the Seller.

§ 4 Prices

The expressly agreed prices are applicable. Insofar as nothing to the contrary is agreed, the respective valid price lists of the Seller/Supplier at the time of the conclusion of the contract are applicable ex stock or place of dispatch of the Seller/Supplier excluding unloading and any agreed assembly and not including value-added tax in the respectively applicable amount. In the event of deliveries abroad the Seller/Supplier is not liable for taxes or duties that arise there.

§ 5 Payment

- (1) If nothing else is agreed, the invoiced amount is due within 14 days of invoicing upon receipt of the purchased item payable without deduction to an account named by the Seller/Supplier. The deduction of a trade discount is not permitted unless a special agreement has been made in writing.
- (2) Insofar as the Buyer/Ordering Party has issued the Seller/Supplier a direct debit authorisation then the Buyer is to bear the full expenses that arise on account of the inability to debit for which it is responsible.
- (3) The Seller/Supplier shall only accept cheques and bills of exchange upon agreement and on account of performance, not in place of fulfilment. In the event of a cheque or bill protest, the Seller has the right to demand immediate cash payment with performance upon return of the cheque and/or bill of exchange, even for cheques and bills of exchange that become due later.
- (4) The Buyer/Ordering Party is in default of payment without a dunning notice 14 days after invoicing insofar as nothing else is agreed. The Buyer/Ordering Party shall reimburse the Seller for the damages on account of arrears in the event of default of payment. The damages on account of arrears include interest on arrears and expenses that arise for the Seller on account of the commissioning of a collection agency or a lawyer. The right to claim additional damages on account of arrears remains reserved. The interest on arrears amounts to 8% above the base rate of the European Central Bank for a business person. The Buyer has the right to prove to the Seller that smaller damages arose. Section 353 of the German Commercial Code (HGB) remains unaffected. The Seller shall store the sold goods for account of the Buyer after a deadline has been set and the invoiced goods are ready to ship. Storage expenses, warehouse rent, and fire insurance expenses can be charged to the Buyer.
- (5) The Buyer may only retain payment in a reasonable scope on account of defects or other complaints. An appraiser appointed by the Chamber of Industry and Commerce is to decide on a reasonable amount to be retained in the event of a dispute. The Seller and the Buyer shall bear equal shares of the expenses for the appraiser insofar as the Buyer does in fact have a right of retention against the Seller; otherwise the Buyer shall bear the expenses.
- (6) Unless fixed prices have been agreed upon, the right of reasonable price changes due to a change of wages, material and distribution costs for deliveries which are not made within 3 months of conclusion of the contract is reserved.

§ 6 Set Off and Rights of Retention

- (1) The right of retention of the Buyer/Ordering Party is excluded if it knew about the defects or other complaints upon conclusion of the contract or did not know about them in a grossly negligent manner unless the Seller fraudulently failed to disclose the defect or other reason for complaint.
- (2) The Ordering Party only has the right to set off if the counterclaim has been established by court of law or is recognised by the Seller. The Ordering Party is only allowed to exercise a right of retention insofar as its counterclaim is based on the same contractual relationship.

§ 7 Delivery, Delivery Period and Transfer of Risk

- (1) The delivery is to be performed by the Seller free to buyer's address or ex works depending on the agreement. The Seller shall claim shipping expenses against the Buyer for every failed delivery attempt. Partial deliveries are allowed in a reasonable scope; the Seller shall decide on partial deliveries.
- (2) Delivery dates are non-binding. The non-adherence to delivery dates by the Seller only entitles the Buyer to claim its rights if it has set a reasonable grace period amounting to at least 14 days for the Seller. The Seller is not responsible for delivery delays if the cause is in conjunction with the loss of a transport vehicle, accidents, traffic disturbances, or delays in border clearance. The Seller will be temporarily or permanently released from its duty to deliver if unforeseeable, non-preventable, unusual hindrances such as labour disputes (strikes, lock-outs), sovereign measures, traffic disturbances and the like arise for which the Seller is not responsible. The same applies if hindrances arise at the suppliers of the Seller and/or their subcontractors. The Seller is to inform the Buyer that such circumstances have arisen without delay.
- (3) With regard to timely delivery, the Seller is only liable for its own culpability and that of its agents. It is not responsible for the culpability of its suppliers because they are not its agents.
- (4) The beginning of the delivery period named by the Seller/Supplier depends on the timely and proper fulfilment of the duties of the Ordering Party. The defence of non-fulfilment of contract remains reserved.
- (5) The Buyer is in acceptance of arrears if it frustrates the agreed delivery by failing to make safe unloading of the purchased item at the place of fulfilment without disturbing traffic possible. The Buyer shall reimburse the Seller for additional expenses, such as shipping expenses, for additional deliveries of the purchased item even if carriage paid delivery of the purchased item was agreed between the Seller and the Buyer.
- (6) If the Buyer/Ordering Party is in acceptance arrears or if it violates any of its other obligations to cooperate by its own fault, then the Seller/Supplier is entitled to request reimbursement for the damage incurred on account of such an event, including any extra charges. The right to make further claims is reserved. Insofar as the previous conditions are met, the risk of accidental loss or accidental deterioration of the purchased item is transferred to the Ordering Party at the moment that it is in default of acceptance or payment.

- (7) If the goods are loaded for the Ordering Party ex works, then the risk of accidental loss or accidental deterioration is transferred to the Ordering Party with the end of loading. This applies regardless of whether the shipment of the goods occurs from the place of fulfilment or who bears the shipping expenses. In this case the Buyer insures the shipment. If the goods are shipped to Ordering Party free to buyer's address, then the risk of accidental loss or accidental deterioration is transferred to the Ordering Party with the beginning of the unloading of the goods from the transportation vehicle.

§ 8 Retention of Title

- (1) The buyer shall retain the ownership of the goods until complete payment of the purchase price. In the event of payment arrears of the Buyer, the Seller is entitled to take the goods subject to retention of title back and the Buyer is obligated to hand them over. The Seller's taking the goods back is not considered withdrawal from the contract.
- (2) If the goods subject to retention of title are processed into new chattel by the Buyer, then the processing is done for the Seller without this party being subject to any obligations; the new item becomes property of the Seller. In the event of processing together with goods not belonging to the Seller, the Seller shall receive co-ownership of the new item pursuant to the relationship of the value of the goods subject to retention of title to the other goods at the time of the processing. If the goods subject to retention of title are connected, mixed, or blended with goods not belonging to the Seller pursuant to sections 947, 948 BGB, then the Seller becomes co-owner pursuant to the statutory provisions. Should the Buyer acquire sole ownership on account of connection, mixing, or blending, then it now already transfers co-ownership to the Seller pursuant to the relationship of the value of the goods subject to retention of title to the other goods at the time of connection, mixing, or blending. In these cases, the Buyer is to store the item partially or wholly owned by the Seller, which is also considered goods subject to retention of title in the sense of the provisions above, at no charge.
- (3) In the event of cessation of payment, application or opening of bankruptcy proceedings, or an in-court or out-of-court settlement, the right to further sale, to use, or to installation of the goods subject to retention of title lapses.

§ 9 Warranty, Notification of Defects, Liability

- (1) The Ordering Party's warranty rights require that it has regularly complied with the regulations for inspection and notification of defects pursuant to section 377 HGB. For the rest, please refer to the Tegernseer practices.
- (2) Claims for defects become time barred within the statutory time limits
- (3) Should the delivered goods have a defect that existed at the time of the transfer of risk despite all the care employed, the Seller/Supplier reserves the right to subsequent improvement or delivery of replacement goods pursuant to its choice with reservation of timely notice of defects. The Seller/Supplier is always to be given the opportunity for subsequent improvement within a reasonable period. Rights of recourse without limitation are not affected by the regulation above.
- (4) Should the subsequent improvement fail, the Ordering Party - without prejudice to any claims for damages - can withdraw from the contract or reduce the remuneration.
- (5) There are no warranty claims on the basis of merely immaterial deviations from agreed characteristics, merely immaterial limitations on usability, for natural wear and tear, and for damages that occurred after the transfer of risk on account of incorrect or negligent treatment, excessive loads, unsuitable tools, defective building works, unsuitable building ground, or on account of special external influences not presupposed pursuant to the contract. Should improper repair work or changes be made by the Ordering Party or third parties then there are not any warranty claims for them or thereby arising consequences either.
- (6) Claims of the Ordering Party on account of expenses necessary for the purpose of supplementary performance, in particular shipping, travel, labour, and material expenses are excluded insofar as the expenses are increased because the goods delivered by us are subsequently brought to a place other than the location of the Ordering Party unless the movement corresponds to their proper use.
- (7) Rights of recourse of the Ordering Party against the Seller/Supplier only exist insofar as the Ordering Party has not made any agreements beyond the compulsory statutory warranty claims with its customers. Furthermore, paragraph 6 applies to the scope of the Ordering Party's rights of recourse against the Supplier in the corresponding manner.
- (8) The Seller shall warrant for the defect-free nature of the purchased item in the scope of the statutory provisions towards the Buyer that is a business person.
- (9) Claims for damages of the Buyer against the Seller, regardless of legal grounds, are excluded unless liability is compulsory and thus cannot be altered by contractual agreement. The liability of the Seller is limited to the invoiced value of the goods about which the complaint is made. The limitation above is not applicable insofar as the Seller can be accused of wilful intent or gross negligence or there is injury to life, limb, or health, or in the event of the infringement of material contractual duties.

However, liability is limited to the replacement of foreseeable and typical damages in the event of infringement of a material contractual duty. It does not apply to claims pursuant to sections 1, 4 of the German Product Liability Act [Produkthaftungsgesetz] either.

§ 10 Product Characteristics

- (1) The characteristics of our products are based on the respective technical specifications and the respectively valid assembly instructions.
- (2) Up to 75% of the composition of our products is natural fibres; thus, their natural characteristics, deviations, and qualities are to be taken into account at all times. In particular, the Buyer is to take their biological, physical, and chemical characteristics into account when purchasing and using them. The remaining contents of our products are high-quality adhesives and additives
- (3) The spectrum of colours, structures, and other differences within a kind of product is one of the characteristics of our products and does not found any reason for complaint or liability whatsoever.
- (4) If necessary, the Buyer is to obtain expert advice.
- (5) Minor deviations in the dimensions, form, and colour do not entitle the Buyer to complaints.
- (6) The care, processing, and storage instructions of the manufacturer are to be observed.

§ 11 International

The contractual relationships and the entire legal relationship between the parties are governed by the laws of the Federal Republic of Germany to the exclusion of the provisions of the UN Trade Law (CISG).

§ 12 Legal Venue

The place of performance and sole legal venue for all disputes from this Contract is the registered office of the Seller/Supplier insofar as nothing else arises from the order confirmation. However, the Seller is entitled to file suit against the Buyer at its registered office.

§ 13 Legal Validity

- (1) Should one of the provisions of these General Terms and Conditions be legally invalid or infeasible or contain a gap this shall not affect the validity of the remaining conditions. The Parties obligate themselves to adopt that legally allowed regulation in the place of the invalid one that comes as close as possible to the economic purpose of the invalid regulation or fills this gap.
- (2) The parties already obligate themselves now to make a replacement regulation that comes as close as possible to the economic result of the omitted clause.

§ 14 Other

All agreements made between the parties for the purpose of executing all contracts for deliveries and other services of Novo-Tech GmbH & Co. KG are recorded in writing in these Conditions of Delivery and Sale. No additional verbal or written ancillary agreements or additional agreements exist.