

GENERAL TERMS AND CONDITIONS OF SALE

KOEHL UK LIMITED • General Terms & Conditions Of Sale

§ 1 General

- (1) The following general terms and conditions of sale apply to contracts between KOEHL UK Ltd. (in the following "KOEHL") and its customers. No general standard contract conditions of the customer are applied to these contracts, neither now nor in future, unless they are expressly acknowledged in written form by KOEHL. The general terms and conditions of sale are contractually binding in English language.
- (2) Any agreement made verbally must be confirmed in writing for legal validity; this may be given by facsimile.
- (3) Brochures, descriptions and illustrations of the services of KOEHL are non-committal subject to express inclusion in the contractual relationship between the parties. Their modification remains reserved, especially within the scope of the advance of technology or improvement of products.

§ 2 Preparation of the Contract and Closing of the Contract

- (1) Contracts (orders/instructions) between Koehl and its customers are required in writing for validity. Any changes must be notified in writing within 7 days of the purchase order being sent otherwise substantial costs may be incurred. Orders can only be processed and scheduled after Koehl has completely received all relevant order data and possibly materials.
- (2) All quotations prepared by KOEHL are non-committal and non-binding. Services or goods compiled in a quote are only regarded as connected if this has been expressly agreed.
- (3) Deviations in structure and colour in comparison with exhibition pieces, brochures or other documentation remain reserved to the extent as these are in the nature of the materials used and are customary in trade.
- (4) The order acknowledgement shall confirm all items and instructions regarding the order before production commences. If there is no communication Koehl assumes that production can commence. Once the items on the order are in production the contract / order cannot be cancelled. Changes must be notified to KOEHL immediately upon receipt.
- (5) Modifications by the customer of orders already confirmed may only be made if this is still possible under production conditions and has been confirmed in writing by KOEHL. Additional cost incurred due to modifications must be reimbursed by the customer. Modifications of orders require a review and possibly a revised delivery date. In case of customized products or products procured from third parties by KOEHL, modifications are excluded.
- (6) Cancellation of orders requires written confirmation to KOEHL. If an order is cancelled under mutual consent upon request of the customer, then the customer must reimburse KOEHL for all expenses incurred until the date of cancellation, even if this has not been separately agreed. In case of customized products or goods purchased from third parties by KOEHL, cancellation is excluded.

§ 3 Bearing of Risk and Dispatch

- (1) KOEHL supplies goods and documentation ordered exclusively at risk of the customer. This even applies if KOEHL has expressly declared assumption of transportation cost. Risk passes to the customer upon delivery of the order/ item/ goods to the customer or forwarding agent. This also applies in case of accidental destruction, accidental damage or other loss of the order/ item/ goods.
- (2) The customer is to choose whether he wants to undertake transport insurance at his own cost. The risk for a shipment returned by customer to KOEHL remains with the customer until receipt of the shipment by KOEHL.

§ 4 Delivery Periods and Delivery Dates, Partial Deliveries

- (1) Delivery obligations of KOEHL are subject to the reservation of correct and timely self-delivery.
- (2) The presumed delivery date stated in the order confirmation applies to deliveries and services, whereby the start of the delivery period stated presupposes settlement of all engineering issues.
- (3) KOEHL confirms the delivery week for dispatch from the factory.
- (4) Koehl will strive to observe the delivery periods stated. If a binding delivery period has been exceeded by Koehl by more than 4 weeks the customer may set a period of grace of four weeks beginning on receipt of Koehl accepting the deadline. If Koehl fails to comply with this period of grace or no other agreement is reached between the contract parties about a new delivery date, the customer may, upon expiry of the grace period, cancel the agreement by registered letter. In this case the customer is due claims against Koehl only if Koehl has caused damage to the customer by intent or gross negligence. The customer has no further claims against Koehl.
- (5) If the customer does not claim his rights as mentioned in paragraph 4 (4) within 2 weeks, he loses his rights deriving from non-compliance of delivery terms and dates. The same applies to, if the customer has profoundly broken his obligation to cooperate with regards to delivery. If the customer does not immediately exercise his rights from paragraph (4), then he forfeits his rights from non-compliance with delivery periods and dates. The same holds true if the customer himself has substantially violated duties to cooperate in connection with the delivery.
- (6) KOEHL is entitled to perform partial deliveries of the contractual items. KOEHL may issue a corresponding partial invoice for each partial delivery.
- (7) If the customer is in default in taking delivery, then KOEHL is entitled, after setting a period of grace of one week, a) Invoice for payment in full if a project has been held up. Weekly storage charges will then be incurred. b) To sue for acceptance, claim damages due to non-performance or repudiate the contracted order. In such a case, KOEHL may claim 20% of the sale price in damages without furnishing proof (damages liquidated in a lump sum), unless the customer proves that KOEHL has incurred no damage or slight. Assertion of higher proven actual damage remains reserved for KOEHL.
- (8) In cases of an act of God, strike and lockout, the delivery period only begins to run upon ending of the act of God, strike or lockout.
- (9) The customer must ensure that delivery is possible during the usual business hours, if deviating conditions have not expressly been agreed. Deliveries are generally performed behind the first lockable door and do not include further carrying of the goods to other parts of the Business.

§ 5 Prices and Payment Conditions, Default in Payment

- (1) Subject to express deviating differing agreements, the respective current price lists as well as delivery conditions apply to the services of KOEHL. The prices stated by KOEHL apply in GBP, plus the statutory value added tax applicable on the day of delivery. Cost for special packaging and transportation are added and must, if nothing to the contrary has been agreed, be borne by the customer.

- (2) Payment shall be made to Koehl UK Limited at the time and in the manner stated on the Koehl quotation. If no such time or manner is stated then invoices must be paid at the latest 30 days net after invoice date. In the event of non-payment of the invoice Koehl reserve the right to claim statutory interest (7.5% p.a over Bank of England base rate) compensation. Debt recovery costs shall also be claimed under the Late Payment of Commercial Debt Regulations 2002. Prompt settlement discounts are subject to payment within the terms stated or as specified in any quotation or special terms offer.
- (3) Koehl reserve the right to re-invoice for the full pre-discounted amount in the event of late or non-payment.
- (4) In case of default in payment of the customer, KOEHL is, for the duration of default, released from performance of further deliveries and services from the contractual relationship concerned by the default.
- (5) If a cheque or a bankers draft are lost, it is the responsibility of the customer to insure that immediate payment is made. Any costs incurred by KOEHL regarding such matters must be reimbursed to KOEHL by the customer. Cheques are not accepted as cash payment.
- (6) KOEHL reserves the right to increase prices according to cost increases incurred, especially due to collective bargaining agreements or increases in materials prices, for contract with an agreed delivery time of more than four months. If the increase amounts to more than 5% of the agreed net price, then the customer is due a right to terminate. Koehl may increase prices if exchange rates have a serious impact on the purchase price of goods to Koehl.
- (7) The purchaser shall not be entitled to withhold payment as a result of any claim it may have against Koehl and the purchaser may not claim any right of set off.

§ 6 Reservation of Title

- (1) Until fulfilment of all claims (including all balance claims from current account), which are due KOEHL on any legal grounds against the customer, now and in the future, KOEHL is granted collateral regulated in the following paragraphs, which KOEHL will release by its choice, if their value lastingly exceeds the claims by more than 20%.
- (2) All goods or documentation supplied to the customer by KOEHL remain property of KOEHL until complete payment of all claims from the overall business relationship. If payment by cheque or bankers draft is agreed, then the goods/property remain with KOEHL until funds have cleared.
- (3) The customer may neither pawn nor otherwise transfer ownership by way of security for the objects being under reservation of paragraph (2). The customer is obliged to immediately notify KOEHL in writing about any levies of execution or other seizure of the objects supplied under reservation of title by third parties. He is furthermore obliged to point out title of KOEHL to the third party. The customer indemnifies KOEHL from any and all cost of a suite, to the extent as the third party does not actually reimburse this cost.
- (4) The customer must keep safe the items/goods supplied to him under reservation of title and insure them at his own cost against the risks of robbery, theft, fire damage, water damage and vandalism. The customer hereby assigns his future claims from the insurance contracts with respect to the items/goods that have already been delivered by KOEHL.
- (5) The customer must bear the cost for all measures serving to preserve or secure the title of KOEHL. This also applies if such a measure fails, but objectively seems sensible.
- (6) The customer is entitled to finish and/or process and sell the goods under reservation of title in the course of proper business for as long as he is not in default. The claims created from resale or on any other legal grounds (insurance reimbursement, tort, etc.) with respect to the goods under reservation of title (including all balance claims from current accounts) are assigned by the customer now already by way of security to their full extent to KOEHL. KOEHL now already accepts this assignment. KOEHL revocably authorizes the customer to collect the claims assigned for account of KOEHL in his own name. Revocation of this authority to collect may only be made by KOEHL if the customer is in default with his payment obligations.
- (7) In case of behaviour of the customer in violation of the contract, especially in case of his default in payment, KOEHL is entitled, without setting a grace period or notice of repudiation of contract, to demand return of the goods delivered under reservation of title. The customer must immediately surrender the items concerned. Repudiation of the underlying contract by KOEHL only exists in these cases, if KOEHL has expressly declared repudiation in writing. After taking back the goods, KOEHL is authorized to charge the customer for the costs of recycling the recovered items/goods.

§ 7 Responsibility for Breach of Duty

- (1) KOEHL takes responsibility for the fact that goods ordered by the customer have the quality and condition customary for goods of the ordered type and price level.
- (2) The customer is obliged to check the goods immediately after receipt and immediately notify KOEHL in writing within 3 working days of complaints because of defectiveness or false delivery. This also applies to transport damage, if it has been agreed individually that KOEHL bears the risk of transportation.
- (3) If there is a defect in the purchased goods for which KOEHL is responsible, then KOEHL by its own choice is entitled to remedy the defect or make a replacement delivery. In case of remedy of the defect, KOEHL is obliged to bear all expenses required for the purpose of re-dying of the defect, insofar as these do not increase because the purchased goods had been transported to a different location from the original delivery location.
- (4) If KOEHL is not willing or able to remedy the defect/make a replacement delivery, or if this is delayed in excess of a reasonable period, for reasons, for which KOEHL is responsible, or remedy of the defect/replacement delivery fails otherwise, then the customer is entitled by his choice to repudiate the contract or request corresponding reduction of the purchasing price. This is not valid, if the customer has caused the failure of the defect remediation/ replacement delivery through his compoment.
- (5) The customer is obliged to make the goods complained about accessible to KOEHL for review.
- (6) The warranty period of 5 years (excluding fabrics and castors) is calculated from the passage of risk for the goods and includes all deviations of the goods from the agreed condition, the cause of which lies in materials, workmanship or in engineering. The regulations of § 8 remain

untouched. This period is a period for limitation in time and also applies to claims for reimbursement of consequential harm caused by a defect, if no claims from tort are claimed.

- (7) KOEHL uses exclusive high-quality leather for which the following characteristics are naturally caused and are not accepted as a cause for complaint: wrinkling, fattening creases, horn butts, hedge tears, insect bites and grazing. Leather upholstery expands and contracts in different temperatures so natural wrinkling occurs. Slight deviations in colour for subsequent deliveries are no cause for complaint.
- (8) The selection of fabrics with respect to colour and material is made by the customer using KOEHL material sample cards or the KOEHL fabric brochure. Slight deviations in colour for subsequent deliveries are not a defect in the sense of the above regulations. The use of third party fabrics is only possible after prior agreement with and release by KOEHL. KOEHL does not assume any warranty whatsoever for processing, materials consumption and quality of materials for fabrics provided.
- (9) KOEHL is only liable for damage incurred by the customer to the extent as the damage has been caused intentionally or through gross negligence by KOEHL, its employees, statutory representatives or other servants. Otherwise, KOEHL is liable only for foreseeable damage caused by violation of substantial contractual duties by KOEHL. Liability is excluded for profits lost by the customer, for savings not incurred by the customer, consequential damage, consequential harm caused by a defect as well as for damage caused by the application environment provided by the third party. KOEHL is furthermore not liable for damage due to act of God. These are operating troubles caused by natural events, effects of war, wage disputes and similar events.
- (10) The above limitation of liability does not apply in cases of compulsory product liability as well as in case of injury to life, body or health.

§ 8 "KOEHL Warranty Period" for Seating & Furniture

- (1) The KOEHL warranty period for seating & furniture amounts to 5 years excluding fabrics and castors which are a standard 2 year warranty.
- (2) The warranty period begins on the day of dispatch ex works and applies to a normal working day of 8 hours/day for 220 working days/year. In case of longer using times, the warranty period is reduced accordingly.
- (3) During the KOEHL warranty period of 5 years (with exclusion), all spare parts are supplied without charge after checking and return of the parts complained about. Exceptions from this are regulated in 7.
- (4) Upon expiry of 5 years (with exclusion), for implementation of warranty work, working hours, possible travel expense allowance as well as transportation cost incurred will be billed.
- (5) KOEHL reserves the right to perform repairs by utilizing KOEHL customer service on location or at the works. In case of return of complete products, the mode of dispatch must be agreed with KOEHL.
- (6) Excluded from the warranty are :
 - Parts and materials subject to natural wear & tear, for instance castors, fabrics, etc.
 - Changes and damage caused by improper use of the KOEHL products.
 - Damage caused by incorrect storage as well as extreme climatic conditions or environmental effects like heat, moisture or excessive soiling.
 - Damage caused by improper installation, assembly or maintenance not performed by KOEHL or its specialist dealer partner.
 - Third party fabrics processed upon request of the customer.
 - Special models and versions manufactured upon customer request, deviating from mass production products; this also refers to colouring.
 - Damage which can be traced back to improper operation by the customer/ end user.

§ 9 Reservation of Rights and Industrial Property Rights of Third Parties

- (1) KOEHL reserves the title and copyright in drawings, drafts, descriptions, plans, concepts and similar documentation created by it. These may not be made accessible to third parties without written approval from KOEHL. Duplication and processing is prohibited without express approval from KOEHL. In case of violation by the customer, KOEHL is especially entitled to claim damages.
- (2) KOEHL is not liable for violation of any patent rights, copyrights or other industrial property rights by the customer in contractual deliveries or services. If KOEHL is subject to claims of third parties to this extent, then the customer must indemnify KOEHL from and against any claims of this type. In case of avallment, KOEHL will immediately notify the customer.

§ 10 Confidentiality and Data Privacy Protection

- (1) The contract parties oblige to treat information about the respective other contract party as confidential, to the extent as this does not concern information already known to the public or the contract party concerned has expressly approved announcement in advance. This applies in sense also to bids, documentation provided to the customer within the course of preparation of a contract. This obligation also applies in excess of the term of this contractual relationship.
- (2) The customer is aware that KOEHL stores and processes personal data to the scope required by the contractual relationship. Passing on of personal data to third parties only occurs to the extent as there is a statutory obligation to do so.

§ 11 Form of Writing

Modifications, amendments and cancellation of contracts/orders must be in writing.

§ 12 Rights

Failure by Koehl to enforce any of the contract terms may not be considered as waiving of rights under this contract. No breach of contract by the purchaser or waiver by Koehl shall be deemed as a waiver for any future breach of the same manner. If any of these provisions is deemed by any competent authority to be invalid or unenforceable in part or in whole, the validity of the other provisions of these conditions and the remainder of the provision in question shall not be affected thereby.

§ 13 Applicable Law

Exclusively the laws of England shall apply to contractual relationships (quotation/order) between KOEHL and its customers. The terms & conditions specified here shall be construed and operate under English law.

§ 14 Closing Regulation

Should individual regulations of these general standard conditions of sale be or become invalid or impracticable, then this leaves the validity of the remaining regulations of the respective contract untouched.