

Terms and Conditions of Sale, Delivery and Payment

I. General

1. These Terms and Conditions of Sale, Delivery and Payment (T&Cs-SDP) apply to all business relations of Rauch Möbelwerke GmbH, (hereinafter referred to as Rauch) and its contractual partners, provided they are entrepreneurs, legal entities under public law or special funds under public law; they apply in particular to contracts for the sale and/or delivery of movables, irrespective of whether or not Rauch manufactures them itself.

2. These T&Cs-SDP apply exclusively; any contractual terms and conditions of the contractual partner to the contrary or such that deviate or supplement them will only be part of the contract if and to the extent Rauch has expressly agreed to their applicability. This requirement for agreement applies in every case, even if the contractual partner refers to their T&Cs-SDP in their purchase order and Rauch has not expressly rejected them.

3. Unless otherwise agreed, the version of these T&Cs-SDP which was valid at the time of the contractual partner's purchase order shall apply, or in any case the version most recently communicated in text form, as a framework agreement, and also to future similar contracts without the need for Rauch to refer to them in every case.

4. Individual agreements (e.g. framework supply agreements or quality assurance agreements) and information given in Rauch's order acknowledgements take precedence over these T&Cs-SDP.

5. References to the validity of statutory provisions are for purposes of clarification only. Therefore, the statutory provisions apply even without such clarification unless they are directly modified or expressly excluded in these T&Cs-SDP.

II. Conclusion of contract and prices

1.a. Offers made by Rauch are without obligation and non-binding. This also applies if Rauch lets the contractual partner have catalogues, technical documentation (e.g. drawings, plans), other product descriptions or paperwork.

b. Purchase orders placed by the contractual partner are deemed to be a binding offer of a contract. Unless indicated otherwise in the purchase order, Rauch is entitled to accept the respective offer of a contract without delay after receipt. Acceptance will be made in writing in the form of an order acknowledgement.

2.a. Unless otherwise agreed, Rauch's current prices at the time of concluding the contract will apply - and specifically, delivery free on the ramp plus any statutory value added tax.

b. If, at the request of the contractual partner, Rauch sends a sold item to a place other than the place of fulfilment (so-called sales shipment) then the contractual partner shall bear the transport costs ex works plus the cost of any requested transport insurance. The contractual partner shall also pay any customs duties, charges, taxes and other public levies.

III. Terms of payment

1. Unless otherwise agreed, invoiced amounts are payable within 30 days of invoice and delivery or collection of the goods, without any deductions; the date of payment shall be taken as the date it is credited to Rauch.

2. If the contractual partner defaults on the payment of invoiced amounts, interest will be payable on such amounts during default at the applicable statutory default interest rate. Rauch reserves the right to assert additional damages for the default. The right to commercial default interest (Section 353 of the German Commercial Code (HGB)) from businesses shall not be affected.

3. The contractual partner shall only have the right of set-off or retention to the extent that their claim has been legally established as final or undisputed or arises out of the same order as the delivery concerned.

4. If it becomes apparent after the conclusion of the contract (e.g. from a request to open insolvency proceedings), that the claim to the purchase price is at risk due to the contractual partner's inability to pay, then Rauch is entitled to refuse performance and - if applicable, after setting a period of grace - to withdraw from the contract. In the case of contracts concerning the manufacture of non-fungible items (made to order), then Rauch may withdraw immediately; the statutory provisions on the dispensability of setting a period of grace shall not be affected.

IV. Delivery, delivery time

1.a. Deliveries are made - unless otherwise agreed - free on the ramp; this is simultaneously the place of fulfilment for the delivery and for any supplementary performance, unless otherwise agreed.

b. If, at the request of the contractual partner, Rauch sends a sold item to a place other than the place of fulfilment (so-called sales shipment), then Rauch shall be entitled to determine the type of shipment (in particular, carrier, despatch route, packing) itself.

2. The risk of accidental loss and accidental deterioration of the goods shall transfer to the contractual partner upon handover of the goods at the latest. In the case of a sales shipment, however, the risk of accidental loss and accidental deterioration of the goods and the risk of delay shall already transfer upon handover of the goods to the forwarding agent, carrier or other person or establishment selected to carry out the consignment. Handover shall be deemed to have taken place even if the contractual partner has delayed acceptance.

3.a. Delivery times are agreed on an individual basis.

b. Whether there is a delay in delivery by Rauch will be determined by the statutory provisions. In any case, a reminder from the contractual partner is required.

c. Rauch will not be liable for the impossibility of delivery or for delivery delays provided such have been caused by force majeure or other events that were not foreseeable at the time of contract conclusion (such as interruptions of operations,

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difficulties in procuring materials or energy, transport delays, strikes, legitimate lockouts, shortages of workers, energy or raw materials, difficulties in obtaining the required official permits, pandemics or epidemics, official measures or the failure of suppliers to deliver correctly, on time or at all despite a congruent covering order concluded with the vendor), which are not the fault of Rauch. If such events make the delivery of goods or services significantly harder or impossible for Rauch and the hindrance is not just of a temporary nature, then Rauch shall be entitled to withdraw from the contract. In the event of hindrances of a temporary nature, the delivery times for goods or services will be extended or the delivery dates for the goods or services will be postponed by the duration of the hindrance plus a reasonable restart period. If the acceptance of the goods or services is unreasonable for the contractual partner due to the delays then they may withdraw from the contract by informing Rauch without delay.

d. If Rauch defaults on a delivery of goods or services or if a delivery of goods or services becomes impossible - for whatever reason - then Rauch's liability for compensation will be limited in accordance with the provision under Section IX. of these T&Cs-SDP.

V. Default of acceptance

If the contractual partner defaults on acceptance, fails to cooperate or if the delivery is delayed for other reasons that are the contractual partner's fault, then Rauch is entitled to demand reimbursement of the resultant damages including additional expenses (e.g. warehouse costs). Rauch shall charge a flat rate in the sum of EUR 15.00/m³ net per calendar day as compensation for the duration of the default of acceptance. Proof of higher damages such as statutory claims (for example, reimbursement of additional expenses, reasonable compensation, cancellation) remain unaffected; however, the flat rate shall be set off against other monetary claims. The contractual partner shall be permitted to prove that Rauch has not incurred any damages at all or substantially less than the above flat rate.

VI. Liability for defects, obligation to notify defects

1. Unless otherwise agreed hereinafter, the statutory provisions apply to the contractual partner's rights in the event of material or legal defects (including incorrect or short delivery or incorrect assembly / installation or defective instructions). In every case, the statutory special rules on the reimbursement of expenses in the case of the final delivery of newly manufactured goods to a consumer (so-called supplier regress) remain unaffected unless (for example within the scope of a quality assurance agreement) compensation to the same value has been agreed.

2.a. Rauch strictly assumes no liability for defects which, at the time of contract conclusion, the contractual partner is aware of or fails to be aware of through gross negligence; furthermore, the contractual partner's claims for defects assume that the contractual partner has met their statutory obligations to inspect and notify (Sections 377, 381 of the German Commercial Code (HGB)).

If a defect is found upon delivery, inspection or at any later date then Rauch must be notified of it in writing without

delay. In any case, obvious defects must be notified in writing within seven working days of delivery and any defects not visible upon inspection must be notified in writing within the same period from discovery.

b. If the contractual partner fails to inspect properly and/or fails to notify defects, then Rauch's liability for the defects, which have not been notified or not on time or not properly, will be excluded in accordance with the statutory provisions. In the event of goods intended for incorporation, fixture or installation, this shall also apply if the defect only becomes apparent after the respective processing as a result of the breach of one of these obligations; in particular, in this case the buyer shall have no rights to the reimbursement of relevant costs (so-called costs of dismantling and installing).

3.a. Customary deviations of the delivered goods which can reasonably be expected by the contractual partner, in particular with respect to the pattern, shade or grain, in particular in the case of natural products such as wood, in comparison to items in show rooms, samples or illustrations or information provided in catalogues are reserved as are customary deviations from dimensions and measurements which can reasonably be expected by the contractual partner in comparison to items in show rooms, samples or information provided in catalogues.

b. In the case of cabinets, the description of the wood refers to the visible front surfaces. The use of other suitable materials as well is permissible.

c. Reasonable technical alterations, in particular within the scope of the state of the art at the time, which do not or do not significantly influence and/or negatively affect the functionality and look, such as fittings or similar, strictly do not constitute grounds for any defects under warranty law.

4. If the delivered item is defective, Rauch may initially choose whether to provide supplementary performance by rectifying the defect (reworking) or by supply a defect-free item (replacement delivery). If the type of supplementary performance chosen by Rauch is unreasonable for the contractual partner in an individual case, the contractual partner may reject it. Rauch's right to refuse supplementary performance under the statutory conditions shall remain unaffected.

5. Rauch is entitled to make the owed supplementary performance dependent on the contractual partner paying the due purchase price. The contractual partner, however, is entitled to retain a reasonable portion of the purchase price in relation to the defect.

6. The contractual partner must give Rauch the necessary time and opportunity for the owed supplementary performance, in particular hand over the goods that the complaint relates to for inspection purposes. In the case of a replacement delivery, the contractual partner shall return the defective item to Rauch on request in accordance with the statutory provisions. The supplementary performance shall not include the dismantling, removal or deinstallation of the defective item or the incorporation, fixture or installation of a defect-free item unless Rauch was originally obliged to perform such services; claims by the contractual partner for reim-

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bursement of the relevant costs (so-called costs of dismantling and installing) shall remain unaffected.

7. Rauch shall bear or reimburse the expenses necessary for the inspection and supplementary performance, in particular transport, travel, labour and material costs, and any costs for dismantling and installing, in accordance with the statutory provisions and these T&Cs-SDP, when there is indeed a defect. Otherwise, Rauch may demand reimbursement from the contractual partner of costs incurred as a result of an unjustified demand for rectification of defects if the contractual partner knew or did not know through negligence that there was indeed no defect.

8. The contractual partner's claims for compensation or reimbursement of expenses for wasted effort also only apply in the event of defects in accordance with Section IX. and are excluded apart from this.

9. Deviating from the statutory provisions, the general limitation period for claims for material or legal defects is one year from delivery. This limitation period also applies to the contractual partner's contractual and non-contractual claims for damages relating to a defect on the goods unless the application of the regular statutory limitation period (Sections 195, 199 of the German Civil Code (BGB)) would lead to a shorter limitation period in an individual case. Claims by the contractual partner for damages in accordance with Section IX. of these T&Cs-SDP or the German Product Liability Act shall be time-barred solely in accordance with the statutory limitation periods.

VII. Retention of title

1. Rauch will retain title of the sold goods until full payment of all present and future receivables arising out of the purchase agreement and ongoing business relationship (secured receivables).

2. The goods with retained title may neither be pledged to third parties nor assigned as security before full payment of the secured receivables. The contractual partner must inform Rauch in writing without delay if an application is made to open insolvency proceedings or if the goods owned by Rauch are seized by third parties (e.g. attachment).

3. In the event of the contractual partner acting in breach of contract, in particular in the event of a failure to pay the due purchase price, Rauch is entitled to withdraw from the contract in accordance with the statutory provisions and/or demand the goods on the grounds of retention of title. The demand to hand over the goods does not simultaneously constitute a declaration of withdrawal; rather, Rauch is entitled simply to demand the goods and reserve the right to withdraw. Rauch may demand flat rate compensation of 25% of the purchase price in such cases. The contractual partner reserves the right to prove that Rauch has not incurred any damages or only at a lower amount. Rauch reserves the right in this respect to prove higher damages on a case-by-case basis. If the contractual partner does not pay the due purchase price, Rauch may only assert these rights if Rauch has previously set the contractual partner a reasonable deadline

for payment to no avail or such a deadline may be waived in accordance with the statutory provisions.

4. The contractual partner is authorised to resell and/or process the goods with retained title in the ordinary course of business until revocation in accordance with Section VII.3 of these T&Cs-SDP. In this case, the following provisions shall apply in addition.

5. The retention of title covers the products created by the processing, mixing or combination of the goods at their full value, whereby Rauch shall be deemed to be the manufacturer. If, in the case of processing, mixing or combination, a third party's retention of title remains, then Rauch will acquire co-ownership in relation to the invoice values of the processed, mixed or combined goods. Apart from this, the same applies to the created product as to the goods supplied under retention of title.

6. The contractual partner hereby assigns the receivables due from third parties arising from the resale of the goods or products to Rauch altogether or in the value of the portion of the co-ownership in accordance with Section VII.5 as security. Rauch accepts the assignment. The contractual partner's obligations referred to in Section VII.2 also apply to the assigned receivables.

7. The contractual partner remains entitled to collect the receivable as well as Rauch. Rauch undertakes not to collect the receivable provided the contractual partner fulfils their payment obligations with respect to Rauch, there is no limitation to their capacity to pay and Rauch does not assert its retention of title by exercising a right in accordance with Section VII.3. However, if this is the case, Rauch may demand that the contractual partner discloses the assigned receivables and their debtors, gives them all the information required for collection, hands over the associated paperwork and informs the (third-party) debtor of the assignment. Furthermore, Rauch is entitled in this case to revoke the contractual partner's right to resell or process the goods with retained title.

8. If the realisable value of the securities exceeds Rauch's receivables by more than 10 percent, then Rauch will, at the contractual partner's request, release securities of Rauch's choice.

VIII. Catalogues, brochures

Catalogues, illustrations, plans, price lists, hardware and software (e.g. configurator, etc.), door samples, etc. provided by Rauch are protected by copyright and are owned by Rauch. They may not be passed on to third parties nor may their contents be disclosed unless Rauch has expressly given consent in this respect. The sales documentation provided to the contractual partner by Rauch must be handed over to Rauch without delay on request. The right to assert damages in the event of a violation is expressly reserved.

IX. General limitation of liability

1. Unless otherwise indicated in these T&Cs-SDP including the following provisions, Rauch shall be liable in the event of a

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breach of contractual or non-contractual obligations in accordance with the statutory provisions.

2. Rauch shall be liable for compensation – irrespective of the legal basis – within the scope of fault-based liability in the event of intent or gross negligence. In the event of minor negligence, subject to statutory limitations of liability (e.g. the diligence exercised with respect to the company's own affairs, insignificant breach of duty), Rauch will only be liable for damages arising from injury to life, body or health or for damages for breach of an essential contractual obligation (an obligation, which must be fulfilled to enable the proper execution of the contract and which the contractual partner ordinarily relies on and may place their trust in); in this case, liability will be limited to compensation for foreseeable damage that typically occurs.

3. The limitations of liability arising in accordance with Section IX.2. also apply with respect to third parties and to breaches of duty by persons (including in their favour) if Rauch is responsible for their negligence in accordance with statutory provisions. They do not apply if a defect has been fraudulently concealed or a warranty for the quality of the goods has been assumed or to claims by the contractual partner under the German Product Liability Act.

4. The contractual partner may only withdraw because of a breach of duty, which does not concern a defect, if Rauch is responsible for the breach of duty. Apart from this, the statutory provisions and legal consequences apply.

X. Applicable law and place of jurisdiction

1. The law of the Federal Republic of Germany, excluding the UN Convention on the International Sale of Goods (CISG), applies to the contractual relationship between Rauch and the contractual partner including these T&Cs-SDP.

2. If the contractual partner is a businessman within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - including international - place of jurisdiction for any disputes arising directly or indirectly out of the contractual relationship shall be Rauch's registered office. The same applies accordingly if the contractual partner is an entrepreneur within the meaning of Section 14 of the German Civil Code (BGB). However, Rauch is also entitled to bring an action at the place of fulfilment of the delivery obligation in accordance with these T&Cs-SDP or an individual agreement which takes precedence or at the contractual partner's general place of jurisdiction. Statutory provisions which take precedence, in particular with regard to exclusive jurisdictions, shall remain unaffected.

3. If the contract or these T&Cs-SDP contain gaps in provisions, the legally effective provisions which the contractual partners would have agreed in accordance with the economic objectives of the contract and the purpose of these T&Cs-SDP had they been aware of the gap shall be deemed to have been agreed to fill such gaps.