

## Terms of Trade

1. Sales shall exclusively be subject to the below mentioned terms, unless seller and buyer sign an individual agreement in writing. Seller shall expressly refuse any of buyer's conditions of purchase. The uncontested acceptance of these terms of trade shall be considered as buyer's consent, even if the acceptance of any other conditions are excluded in his own conditions of purchase. These terms of trade shall likewise be applicable to any future business transaction(s), and shall also apply if seller supplies to buyer without any reserve, knowing that orderer's conditions are in conflict with and different from these terms of trade.
2. Quotations and price lists shall always be understood without commitment. In particular, seller shall have the right to correct any errors in prices.

All orders and agreements shall have to be drawn up in writing. In particular, any contract shall require a statement of acceptance in writing. Any verbal agreement or agreements with any of seller's representatives or agents shall only be legally effective if confirmed in writing by seller. Any changes and modifications to an agreement based on these terms and conditions shall have to be made out in writing in any case.

The information, drawings, pictures, technical data, weight, measurement and service descriptions contained in brochures, catalogues, mailings, advertisements and price lists or in documents included with a quotation are always without commitment and shall not constitute an agreement on quality, unless these items were either explicitly declared binding or were explicitly included in the order confirmation

3. Prices shall be understood in Euros, ex factory, net cash, excluding VAT or other local taxes, unless agreed upon otherwise.

Packaging for shipment is not included in the prices stated, unless this was agreed upon otherwise. Packaging will not be taken back.

The prices and conditions that form part of the contract shall apply, unless agreed upon otherwise. If fees change, or other third-party costs included in the agreed-upon price arise, or new costs arise later than 6 weeks after contract signing, BHI shall be entitled to change the price accordingly.

Prices have been calculated on the offer's cost basis. If the price for materials, wages, currencies or other cost factors, such as energy, waste disposal or taxes and fees, changes, BHI reserves the right to adjust prices after timely notification of the customer.

All taxes and fees (taxes, fees, customs duties, etc.) arising in connection with or from signing or fulfilling the contract outside the Federal Republic of Germany shall be assumed by the customer.

4. All payment terms shall start on the invoice date. Payments for the purpose of satisfying BHI's claims against the customer must be in cash according to the payment conditions we offer. If not agreed upon otherwise or stated differently on the invoice, payment must occur within 14 days of invoice date without rebate.

For bank transfers to one of the bank accounts listed by BHI or for payments by check, only unconditional credit to a BHI account shall constitute payment.

If BHI is accepting bills of exchange, only the redemption of the bill of exchange shall constitute payment. Discount and bank fees, as well as taxes levied on same, must be assumed by the customer.

BHI shall not be responsible for correct and on-time presentation, protesting or collection of bills of exchange or checks.

If the customer is in arrears with a payment entirely or in part, BHI is entitled, during commercial dealings, to charge from that point on interest at the then-applicable commercial bank interest rate on debt, but at least 8 percentage points per year above the then-applicable prime rate. In addition, an administrative charge of 5% per year shall become due.

If a customer's payment is in arrears for more than 3 weeks, or if he does not honour a check or bill of exchange when it becomes due, or if for other reasons there is cause to doubt his ability to pay, all customer payment obligations towards BHI shall become due immediately, without regard to the term of potential incoming bills of exchange. In addition, BHI is entitled to require provision of securities for all other payment obligations, to process pending shipments only against pre-payment or the provision of securities, to prohibit processing, manufacturing and/or resale of any goods still owned or co-owned by us and to request their surrender.

Customer offsets shall be excluded, unless the counter claim has been established as final or has been acknowledged by BHI.

Payments (including partial and down payments) shall always be used to satisfy the then-oldest receivable and interest accumulated on same.

BHI is entitled, without the customer's agreement, to assign payment

obligations arising from this contractual relationship that are due at the time or become due in the future to third parties wholly or in part, or to cede same. We explicitly object to a prohibition against assignment of claims or requirement for consent in the customer's terms and conditions.

Our claims could be assigned to a factoring bank. This is the case if on the invoice the factoring company is listed as the payee. In that case, payments to discharge the debt must be made to the factoring company. Account information can be found on the applicable invoice.

5. Contract signing and content shall be based on BHI's written order confirmation. If it differs from the customer's order, it shall still be binding unless the customer immediately objects to the order confirmation; it shall also be binding if he receives BHI's shipment or service without reservation, or provides the service himself without reservation.

Upon notification of readiness to ship, the risk shall be transferred to the customer, unless BHI explicitly assumed shipment of the goods, and the risks associated therewith, in an appropriate written agreement. This is also true if there are partial shipments or BHI has assumed other services, as well.

Acceptance or receipt of goods cannot be declined due to insubstantial defects.

If shipment or acceptance is delayed without BHI being held responsible, the risk shall be transferred to the customer with the statement of readiness for acceptance.

The customer shall assume the cost of packaging, loading, freight and installation, unless agreed upon otherwise.

6. BHI's delivery commitment shall be subject to timely and correct availability of supplies and raw materials. This differs only if BHI is responsible for the incorrect and/or late availability or unavailability.

Binding delivery dates (delivery dates) must be explicitly agreed upon as such. An agreed-upon delivery term (delivery term) shall only start upon customer's receipt of our written order confirmation, but not before provision of specifications, technical data and documents to be supplied by the customer. Fixed dates are only agreed upon as fixed dates in terms of the [German] Commercial Code if they have been explicitly specified as such.

Changes to or expansion of the original order volume agreed upon that

occur after contract signing shall extend and/or move the original shipping terms and/or dates accordingly, without requiring a separate notice to that effect.

Shipping dates shall be deemed to have been met as of the date of the notice of readiness to ship or the date of shipping from the factory.

The shipping date shall be moved accordingly in case of strikes and lockouts, missing or delayed delivery to BHI, force majeure, or if unforeseen events outside BHI's authority occur. BHI shall notify the customer of the occurrence and expected duration of such events.

The delivery date shall also be delayed if the customer is late in his payment or other obligations for the duration of such lateness, or if technical and/or business questions have not been resolved for the time necessary to resolve such questions.

As long as BHI is not responsible for the events listed in item 5., the customer cannot withdraw from the contract or cancel same.

If BHI is late in shipping and the manufacturer suffers damages due to the delay, he shall be entitled to compensation for the delay; such compensation to be at most ½ % per completed week of delay, for a maximum total of 5 %, of the purchase price of such partial shipment as could not be used on time or according to the contract.

The customer must prove a higher damage due to the delay. The right to withdraw from or cancel the contract based on a delay in delivery for which BHI is at fault, after an appropriate period of time has been set by the customer for provision of the services according to statutory requirements, and such time has elapsed unsuccessfully, shall not be affected by above clause.

Additional customer claims for damages and reimbursement of expenses against BHI, its institutions, legal representatives and/or assistants shall be excluded. This is not true if BHI, its institutions, legal representatives and/or assistants can be held responsible for intention or gross negligence and/or if they violated significant duties under the contract. If significant duties under the contract have been violated, the extent of damages shall, however, be limited to compensation for typically foreseeable damages, if BHI, its institutions, legal representatives and/or assistants, can only be held responsible for simple negligence, whereby for simple assistants this limit on the extent of liability shall apply to any type of negligence.

If BHI is late in shipping, the customer must, on BHI's request, decide within an appropriate timeframe at which modified point in time shipment should occur. If the shipment is delayed after it is ready for shipment for reasons for which BHI is not responsible, the customer shall be charged storage fees from the date of the notice of readiness to ship; for storage at BHI's facility these shall be at least ½ % of the net invoice amount for each month. The customer must prove lower storage costs. Other claims by BHI shall be unaffected by this clause.

If the customer is based in Germany, the following shall apply: For offset of bankruptcy, the customer and BHI shall agree as follows, according to Article 94 of the [German] Bankruptcy Law: In case of the customer's bankruptcy, BHI's claims against the customer shall become due with the start of bankruptcy proceedings, even if they otherwise would not have become due at that time. If preliminary bankruptcy proceedings have been ordered by a court, claims shall become due according to the court order. This is also true in reverse for customer claims in case of BHI's bankruptcy.

7. In case of derived timber products, the thickness of same has been measured prior to the processing. In this case, any deviations of plus/minus 10% shall be admissible, subject to any other agreement in writing. Sanding reduces the thickness of outside veneers. Seller shall be allowed to vary the quantity supplied, i. e. seller shall be allowed to supply 10% more or less of the quantity ordered. If any dimensions are indicated for panels made of derived timber products, the first figure indicates the direction of the fibres of the outside veneer.

The thickness of any coatings, whether made of synthetic materials, metals or lacquers may vary up to 10% unless the parties expressly agree otherwise in writing

8. Shipment shall be made in the name and on the account of buyer. The risk shall pass on to him upon loading of the merchandise, even if carriage prepaid has been agreed. If the expedition is delayed on buyer's fault, the risk shall pass on to buyer at the day on which the merchandise is ready for shipment. Seller on his part shall not be under the obligation to provide for transport insurance. Delivery in installments shall be possible and admissible and shall be separately invoiced.

If shipment is not possible for reasons for which seller cannot be held responsible, preparation of the merchandise ready for shipment shall be considered as compliance with the contract.

If buyer has not given any special instructions as to the shipment, seller

shall choose the manner of delivery at his own discretion and shall not have to opt for the cheapest way of expedition and shipment. If any reimbursement of freight has been agreed, the cost of freight shall be advanced by buyer without deduction of any discount.

Merchandise is packed adequately and in accordance with usual industry practice. Packing material as scantlings, pallets, wooden boxes etc. shall be charged at cost price unless it is returned within 4 weeks in reusable condition, freight prepaid

9. If a performance requirement based on reasons listed in the law (Article 275 [German] Civil Code]) is excluded or can be excluded, the customer can require damages and/or withdraw from the contract, unless BHI cannot be held responsible for the reason that lead to the exclusion of the performance requirement. Customer's claim to damages shall, however, be limited to 10% of the value of such portion of the delivery as could not be used on time or per contract due to the exclusion of the performance requirement. Additional claims for damages due to the exclusion of the performance requirement shall be governed exclusively by Section X of these Terms.

In case of partial delivery, the customer can only withdraw from the contract if the partial delivery can be proven to be of no interest to him; if the customer is not entitled to rescission according to this clause, he can request an appropriate reduction of the service in return or refuse to pay for such part of the service for which the performance requirement has been excluded. Rescission shall also be excluded if the customer is responsible, entirely or very predominantly, for the circumstance leading to the exclusion of the performance requirement, or the customer is late in accepting the delivery and BHI cannot be held responsible for the circumstance leading to the exclusion of the performance requirement. In these cases, the customer shall continue to be required to provide the service in return.

If strike and lockout, cases of force majeure, or the occurrence of other unforeseeable events outside of BHI's authority significantly change the shipment's economic importance or content or significantly influence BHI's operations, and these events are not transitory in nature, the contract shall be appropriately adjusted, while adhering to the principle of utmost good faith. If this is not economically justifiable, BHI can withdraw from the contract or, if this is an ongoing sales contract, cancel the contract for an important reason.

No claims can be made for insignificant material defects or defects to part of a shipment, if the remainder can reasonably be used by the customer.

This is also true in case of natural wear or damages, as well as in the case of damages occurring after the transfer of risk as a result of incorrect or negligent treatment, excessive wear and other external influences for which BHI cannot be held responsible.

Claims for defects also shall not exist if the customer failed to carefully inspect the delivery item immediately upon delivery by BHI, insofar as this is doable during regular business operations, and failed to immediately claim damages so discovered in writing to BHI. If, despite the inspection, damages cannot be discovered (hidden damages), these must be claimed in writing immediately after their discovery. If timely written notice is not given, claims for such defects shall be excluded.

For justified notice of defects, BHI will, at its option, ship again (supplementary performance) or, if possible, rework. BHI can refuse supplementary performance if this requires disproportionate effort and/or cost. If the customer sets a suitable term for supplementary performance, which has elapsed unsuccessfully, the customer can withdraw from the contract, or, for contracts with ongoing delivery, cancel the contract or decrease payment.

Additional buyer claims for damages and reimbursement of expenses against BHI, its institutions, legal representatives and/or assistants shall be excluded. This is not true if BHI, its institutions, legal representatives and/or assistants can be held responsible for intention or gross negligence and/or if they violated significant duties under the contract. If significant duties under the contract have been violated, the extent of damages shall, however, be limited to compensation for typically foreseeable damages, if BHI, its institutions, legal representatives and/or assistants, can only be held responsible for simple negligence, whereby for simple assistants this limit on the extent of liability shall apply to any type of negligence.

Subject to a differing agreement with the customer, the warranty period shall be 12 months from the transfer of risk.

10. We only grant a warranty if this has been explicitly stated in writing at the latest upon contract signing.

The condition of the goods as required by the contract is based on the description in the written contract. If same is incomplete, seller's additional product descriptions, specifications and labelling can be used. Public statements, recommendations, advertising and information in

brochures shall not constitute statements of condition.

Seller's practical advice -- verbally, written or through tests -- occurs to the best of its knowledge, but shall constitute only a non-binding notice, including with regard to possible third-party intellectual property rights, and does not relieve the buyer from its duty to perform its own inspection of goods and products shipped by the seller to determine their suitability for the intended processes and uses. Application, use and processing of goods and products occur outside of seller's sphere of influence and are therefore the sole responsibility of the buyer.

11. Unless something different is apparent from these General Terms and Conditions or applicable required statutory regulations, customer claims for damages and reimbursement of expenses against BHI, its institutions, its legal representatives, and/or its assistants, shall be excluded, irrespective of the legal reason for such claims, particularly if they are due to violations of the contractual obligations and/or impermissible actions. This is not true if BHI, its institutions, legal representatives and/or assistants, can be held responsible for intention or gross negligence and/or if they violated significant duties under the contract. If significant duties under the contract have been violated, the extent of damages shall, however, be limited to compensation for typically foreseeable damages, if BHI, its institutions, legal representatives and/or assistants, can only be held responsible for simple negligence, whereby for simple assistants this limit on the extent of liability shall apply to any type of negligence. In addition, liability is not limited, if BHI is conclusively liable according to law, e. g., according to the [German] Product Liability Act, and/or violation of life, body and health occurred.

Furthermore, BHI, however, is liable to the customer only to the extent to which BHI's existing business liability insurance pays compensation. Business liability insurance is based on the "General Insurance Terms for Liability Insurance (AHB)".

For all claims for damages the statutory statutes of limitations apply.

Insofar as third parties are asserting claims against BHI, but BHI's prior written consent mentioned above does not exist and BHI cannot be held responsible for the cause of the damage, the customer shall release BHI from these claims by third parties

12. The merchandise shall be supplied under retention of title in accordance with article 455 of the German Civil Code and shall include the following supplements:



- a) Seller shall retain title of the item(s) bought until all payments of the business relation have been received. In case of any of buyer's behaviour in contravention to the terms of the contract, in particular in case of any delayed payment, he shall be authorized to take the bought item(s) back. In taking back the item(s) bought, he shall not withdraw from the contract, unless expressly stated by seller in writing. However, if he pledges the object, this shall always be considered a withdrawal from the contract. After taking the object back, seller shall be allowed to use same. The proceeds from using the object shall be set against buyer's liability, less an appropriate amount of exploitation cost.
- b) Buyer shall be obliged to treat the object he bought with care. In particular, he shall be bound to sufficiently insure it at his own expense against fire, damage through water and theft at the price of a like new item, and to be liable for said object. In as far as any servicing and inspection work is required, buyer shall have this work performed in time and at his expense. As long as any of seller's claims exist, he shall be authorized to ask buyer for any information about any merchandise supplied under retention of title which has remained in his possession and about the place in which it is stored. He shall likewise be authorized to inspect said merchandise any time at the place where it is stored. In case of any insolvency or bankruptcy proceedings, buyer shall be obliged to label said merchandise in a way perceivable by any third party or in any other way to show that said merchandise is owned by seller.
- c) In case of any pledging or any intervention from any third party or parties, buyer shall inform seller immediately in writing, so that the latter may take action in accordance with article 771 of the order of civil proceedings. In as far as said third party is not in a position to refund him for any judicial and extrajudicial cost of proceedings acc. to article 771 of the order of civil proceedings, buyer shall be liable for any accrued losses.
- d) In case of any arrears in payment or any application for insolvency or bankruptcy proceedings, the merchandise under retention of title shall be handed out upon seller's request, freight and expenses prepaid, without any necessity to set any respite or to withdraw from the contract by seller. Any respective property right shall end. The same applies if buyer should jeopardize his compliance with the contract - for instance because of lacking creditworthiness, lacking insurance or improper storing of the merchandise upon which seller shall withdraw from the contract.
- e) Buyer shall be entitled to resell the merchandise in due course of business. However, he shall cede to seller all receivables in the sum

total of seller's invoice (VAT included) accruing to him from sales against his customers or any third party, independent of whether the merchandise has been resold prior to or after the processing. Buyer shall remain authorized to collect these receivables even after the ceding of same. Seller's right to collect this amount receivable shall remain unaffected. However, seller shall engage not to collect said amount receivable as long as buyer (i) complies with his commitments from the proceeds received, (ii) is not in arrears with his payments and in particular if (iii) no application to open any bankruptcy or insolvency proceedings has been filed or payments have been suspended. In this case, seller shall be allowed to claim from buyer full information about the receivables ceded to him and about the respective debtors, as well as full details required for collection of same, and the handing over of all pertaining documents to him, and information of his debtors about said cession in writing.

- f) Whenever buyer processes or transforms the merchandise bought, said processing or transformation shall always be carried out for seller. If the merchandise is processed together with other items not owned by seller, seller shall acquire joint ownership of the new item or items in the ratio of the value bought by buyer and the other items processed at the time of processing. The item or items created by said processing shall be subject to the same conditions as applicable to the items delivered under retention of title.
- g) If the merchandise bought by buyer is inseparably mixed with any merchandise not owned by seller, he shall acquire joint ownership of the new merchandise in the ratio of the value bought by buyer and the other mixed items at the time of mixing. If said mixing takes place in a way in which buyer's item becomes the main item, the agreement shall be that buyer shall reserve to seller his pro rata co-ownership. He shall keep said property owned wholly or partly for seller.
- h) Buyer shall likewise cede to seller as a security any receivables accruing against any third party in any combination of the merchandise bought from seller with any real estate.
- i) In case of buyer's cooperation with a factoring bank on the basis of a non-recourse factoring, he shall only be authorized to resell the merchandise if any claims against the factor have been assigned to seller in advance in exchange of the receivables in the sum total of the purchase price, if seller has been notified of said assignment and if the factor has agreed to the assignment. Seller shall accept this assignment.

- j) Seller shall engage to release the securities due to him upon buyer's request, in so far as the value of his security exceeds the claim(s) to be secured by more than 15%. The choice of the securities to be released remains with seller.
13. The buyer knows: The seller stores and uses data in connection with this business relationship according to the [German] Federal Data Protection Act. A separate notice about this fact will not be sent.
14. BHI can withdraw wholly or in part from the contract if bankruptcy proceedings are filed against the customer's assets, or the start of such proceedings is declined; if BHI receives a written credit report showing the customer's lack of creditworthiness; or if the customer ceases to conduct business, or threatens such cessation, for other reasons.

Further, BHI can withdraw wholly or in part from the contract if the shipping date is delayed for reasons for which BHI cannot be held responsible and BHI is no longer interested in the delivery due to the delay. For ongoing sales contracts, the right to withdrawal is replaced by the right to extraordinary rescission.

Finally, BHI has the right to rescission if material circumstances that formed a basis for signing the contract, change so significantly that BHI can no longer be expected to continue the contract.

Statutory rights to rescission are not affected by this clause

15. Place of performance shall be Blomberg for any payment, the place of expedition for any delivery.

In any case of legitimate redhibition or admissible recission, buyer shall be liable to forward the merchandise delivered to him back to seller on his own cost and risk.

Blomberg shall be the local place of jurisdiction. Buyer may likewise be sued at his own place of business.

Any disputes arising from this contract also in connection with deliveries abroad shall be governed solely in accordance with applicable German laws. The application of the uniform law on the international sale of movable property and the conclusion of international sales contracts for movable property – both dated 17.07.1973 – as well as the UN law of sales dated 11.04.1980 shall be excluded.

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