

General Terms and Conditions of Carpet Concept Objekt-Teppichboden GmbH

1. Scope of Validity of General Terms and Conditions

These terms and conditions shall apply for all transactions with companies, legal public entities (juristische Personen des öffentlichen Rechts) and separate estates governed by public law (öffentlich-rechtlichen Sondervermögen).

2. Conclusion of Contract

All offers are without engagement.

The contract shall become binding through the order confirmation in writing as well as through the contents of the order confirmation hereto.

Verbal agreements shall be valid subject to written confirmation only.

The purchaser's rights arising from the contractual relationship hereto shall be transferable subject to our prior agreement in writing only.

3. Prices, Freight and Packing

All prices are quoted ex warehouse including packing and freight costs within Germany. Invoicing shall be effected in EURO at the prices applicable on the day of shipment. All prices shall be subject to the applicable value added tax (VAT).

Delivery shall be carriage paid via the most economical shipping means to the specified place of destination within Germany. If the purchaser desires special packing, this shall be subject to additional invoicing.

Return consignments shall not be refunded.

4. Delivery, Passage of Risk

The delivery date specified in the order confirmation shall be deemed to be approximate only. This date shall be adhered to if possible.

As soon as the goods leave our entrepot or the goods have been made available to the purchaser, every risk shall pass to the purchaser. In case the goods are retracted, the purchaser shall carry every risk until receipt of goods by us - regardless of the reason of retraction.

Transport damages shall be reported to us without delay. In the case of shipment via carrier, the damage shall be noted on the freight waybill. In the case of rail shipment, an official certificate of damage is to be demanded and procured from the rail authorities and forwarded to us without delay.

5. Payment

Our invoices shall be due for payment immediately.

We reserve the right to accept or refuse bills of exchange or cheques. Discount and bank charges shall be at the expense of the purchaser.

In the case of delay of payment, the purchaser shall be subject to an interest rate of 8 % about the applicable base interest rate.

The purchaser shall not be entitled to offset or withhold due invoice amounts unless the purchaser's counter-claim is uncontested or has been judicially sentential.

6. Nature of the goods, deviations in measurement

We guarantee that our goods are free of material defects.

The purchaser shall make qualified demands towards the ordered goods hereto only to the extent that these demands would be fair or commercially common towards other goods of commensurate quality and price category. There shall be agreement that the following shall not be construed as constituting defects:

- optical differences in colour due to pile reversal (Shading)
- pressure points through furniture, etc.
- commercially common deviations in quality, colour, thickness, weight, finish and design due to manufacturing tolerances
- warpage in panels due to manufacturing tolerances that adhere to the tolerance limits of DIN CEN/TS 14159
- warpage in patterned tiles within a tolerance of less than ± 5 mm per tile due to manufacturing tolerances.

Shipment shall be effected in delivery dimensions applicable and common to the respective product. Length deviations of up to 10% for rolls shall be deemed normal, width deviations of +/- 3 cm are due to manufacturing tolerances. For orders with fixed dimensions or with special designs/patterns and colours, we reserve the right to minor deviations due to manufacturing tolerances as follows: up to 200 m² 7%, up to 500 m² 5%, from 501 m² 3%. Short shipments of up to 5% due to manufacturing tolerances shall be deemed acceptable.

7. Requirement to give notice of defects

Complaints for perceivable defects shall be raised in writing within 10 days (receipt by us) after receipt of goods. Concealed defects shall be reported within the same term as soon as they become evident and/or have been discovered. After expiry of this term, the purchaser's rights of reprehension based upon defective goods shall be ruled out, unless the defect was maliciously concealed or we have assumed a guarantee for the constitution of the goods.

The same exclusion of liability shall apply after cutting or other – even partial – processing of the goods if the defect was perceivable at this time.

8. Guarantee

In the case of defective material, we shall reserve the prerogative between repair or replacement. Claims for defects shall be limited to one year after receipt of goods.

The purchaser shall be entitled to claim price reduction or – in the case of a substantial defect - rescission from the contract only after the repair or replacement has failed or if we refuse to repair or replace the goods. The same applies if the purchaser appoints a date after which he threatens to refuse the repair/replacement and the time limit has expired. This time limit must be at least 10 working days.

Any additional damage and/or cost compensation claims arising from material defects shall be ruled out.

This exclusion shall not apply if the defect has been maliciously concealed or if we have assumed a guarantee for the constitution of the goods.

Furthermore, this exclusion shall not apply for liability for gross negligence or deliberately inflicted damage and shall not apply in cases of injury of life, body or health if this has been caused by a negligent breach of duty from our side. A deliberate or negligent breach of duty on our behalf shall be equivalent to such caused by our legal representatives or our auxiliary agents.

Finally, this exclusion shall not apply for our duties according to § 478 Abs. 2 BGB (German Civil Code). However, the reimbursement of expenses is, in this case, limited to the net price of the delivered goods.

9. Limitation of Claims

Claims for defects shall be limited to one year after receipt of goods.

This term of limitation shall also apply for goods which, in accordance with their common usage, have been utilised for construction purposes and have caused such objects of construction to be defective

10. Retention of Title

Until the fulfilment of all claims (including all account balances from current accounts) against the purchaser to which we are entitled now or in the future on the basis of every and any legal reason, we shall be granted following securities. These securities shall be released on demand if their value exceeds by more than 20% the respective claims for which securities have been given.

The goods shall remain our property. Processing and reshaping shall be effected for us, the manufacturer, but without any obligation for us. If our (co-) ownership expires because of compounding, it shall be deemed as having been agreed upon that the purchaser's (co-) ownership of the unified product shall be transferred to us pro rata (invoice value). The purchaser shall store our (joint) property at no cost to us. In the following, goods, towards which we have a claim of (joint) ownership, shall be referred to as conditional goods.

As long as he is not in default, the purchaser shall be entitled to process and sell the conditional goods within the context of normal business transactions. Pledging as collateral or transfer by way of security shall be inadmissible. For collateral purposes, the purchaser shall at this time assign to us in full his accounts receivable (including all account balances from current accounts) resulting from resale of the conditional goods or resulting from other legal reasons (especially insurance, illegal action). We hereby revocably authorise the purchaser to collect in his own name the accounts receivable assigned to us. The authorisation of collection may be revoked only if the purchaser does not properly fulfil his payment obligations.

In case third parties attempt to seize the conditional goods, the purchaser shall inform such parties of our ownership and inform us immediately.

In cases of behaviour in breach of contract – especially for delayed payment – we shall be entitled to demand release of the conditional goods and/or assignment of the right of collection of goods towards third parties. The purchaser shall be obliged to release the goods to us immediately.

11. Applicable Law, Partial Invalidity, Place of Fulfilment and Place of Jurisdiction

German law shall apply to the contractual relationship – especially with view to deliveries made to foreign countries. The Vienna Convention on Contracts for the International Sale of Goods (CISG) dated April 11, 1980, including subsequent provisions, shall not apply.

Should individual provisions of the General Terms and Conditions hereto presently be or become invalid, this shall have no relevance pertaining to the validity of the remainder of the provisions hereto.

Place of fulfilment for shipment and payment as well as the place of fulfilment for all disputes arising from the contractual relationship shall be Bielefeld. We shall, however, be entitled to institute legal proceedings against the purchaser at his place of business.