

STEINBERG GmbH Terms and Conditions

These Terms and Conditions shall apply to all Sales Agreements STEINBERG GmbH (hereinafter referred to as Seller) enters into with entrepreneurs, public entities and corporate bodies under public law (hereinafter referred to as Customer). They shall not be applicable to end-user retail purchases. Where not otherwise provided herein, all Sales Agreements hereunder (hereinafter referred to as Contract) are subject to applicable laws. These Terms and Conditions may not be altered or modified unless specifically confirmed by Seller in writing. This shall in particular refer to the application of Customer's terms and conditions. To any Contract Seller's Terms and Conditions shall exclusively apply; other terms and conditions shall not become part of Contract, irrespective of whether Seller has entered an explicit objection.

1) Conclusion of Contract

Seller's offers are non-binding. Orders shall be deemed binding exclusively if confirmed in writing or if served by delivery of goods. Verbal side agreements shall be deemed binding only when confirmed in writing.

2) Subject Matter of Contract and Delivery Extent

1. For the Extent of Delivery, Seller's order confirmation or an individually negotiated contract, if any, shall be decisive. Seller may decide upon the mode of shipping, unless a particular mode of shipping has been agreed upon. Seller shall have the right to charge such services upon the price terms under Section 6 Paragraph 4). 2. Seller reserves the right to modify the object of Contract, insofar as the performance thereof is not substantially altered and the modification is reasonable. In the case of substantial modifications Seller shall notify Customer in advance.

3) Terms of Payment

1. Unless specified otherwise, Seller's prices are in Euro exclusive of the respectively applicable Value Added Tax. The packing shall become Customer's property. The respectively applicable VAT and the costs of, if desired, cargo insurance shall be charged in addition. Shipping costs, tariffs, charges, taxes and other public dues shall be paid by Customer. Installation costs shall also be due to Customer. 2. Invoices are payable within 10 days from date of invoice without deduction unless otherwise agreed upon. There shall be no entitlement for discounts. Payments by bill of exchange shall not be accepted.

4) Impairment of Ability

In the event that, after conclusion of Contract, Customer suffers a substantial impairment of ability Seller shall have the right to require adequate securities or advance payment prior to effecting Seller's delivery or service. If Customer fails to meet such requirement in due course Seller shall have the right to recede from Contract without involving Customer's right for compensation. In the event that, after conclusion of Contract, payment is realized to be at risk by Customer's inferior ability, Seller shall have the right to withhold delivery or service and set forth an applicable term for concurrent payment or producing securities upon delivery. In the case of Customer's refusal or elapse of term hereunder Seller shall have the right to recede from Contract and/or claim compensation. If so, Seller shall also have the right to perform due deliveries against prepayment.

5) Set-off Restriction

Customer shall not be entitled to set-off cross claims against Seller's demands unless the cross claim is uncontradicted or legally valid.

6) Delivery Conditions

1. Delivery Dates and Periods shall be deemed non-binding unless specifically agreed upon in writing. If the delivery period is specified within Seller's Confirmation of Order, such period shall commence after all details for serving the order have been clarified. 2. In the event that Seller is not able to comply with the period of delivery for reasons outside Seller's responsibility, the period of delivery shall be adequately extended. This shall specifically apply to events of industrial action, events of *force majeure* within Seller's premises or the premises of external suppliers, or delays with forwarding agencies. Seller shall notify Customer as early as possible of commencement and termination of such event. 3. Seller shall be entitled to partial deliveries and partial services. 4. Deliveries and services, unless specifically agreed upon in writing, shall be, within Germany, free Customer's address upon ex warehouse from 250 € net invoice amount (after discounts, exclusive of VAT). Deliveries within Germany under 250 € net invoice amount will be subject to a flat charge of 4,90 € plus VAT per order.

7) Delay

1. In the case of delay with respect to Seller's service, Customer's compensation for such breach that is accountable to Seller, and that Seller has to take responsibility for, shall not exceed 2 % of the net purchase price. This shall however not apply if the delay is due to malice or gross faults, specifically gross negligence on the part of Seller or its legal representative or subcontractor. 2. In the case of delay with respect to reception by Customer, or in the case of non-accidental breach of other cooperation duties by Customer, Seller shall be entitled to charge compensation for damages arising therefrom inclusive of, if involved, additional costs and irrespective of further remedies.

8) Returns

Goods that have been delivered as agreed upon are exempt from return. In the event that Seller accepts such return by way of exception, Seller will charge 20 % of the purchase price plus VAT for handling. Refurbishing, if necessary, will be charged separately. Reshipping will be effected at Customer's risk and expense.

9) Retention of Title

1. Title to the Goods shall remain vested in Seller until full payment of the purchase price plus charges for, if any, additional services. Title to the Goods shall also remain vested in Seller until fulfillment of all demands arising from the respective business relationship, irrespective of legal reason, inclusive of interest for delay and costs of litigation. 2. Any treatment and fashioning of the Goods hereunder shall be done on Seller's behalf. In the case of installation into third-party property Seller shall become co-owner of the resulting composite product in proportion of the value of Seller's goods to third-party goods utilized for such composite. Any such composite product shall also be deemed subject to Seller's Retention of Title. 3. Customer shall, for reason

of security, assign to Seller in advance all claims including joint rights he may be entitled to from reselling of the Goods hereunder, to the full replacement value. As long as Customer duly meets his obligations with respect to payment he shall be authorized and be obligated to collect such assigned claims. In the case of delayed payment Seller shall be entitled at any time to withdraw Customer's direct debit mandate and to notify Customer's buyers of the assignment hereunder, and to repossess the Goods or, if applicable, to demand assignment of Customer's right of repossession towards third parties. Customer shall disclose such assignment and immediately provide Seller with all necessary information and documents. In the case of delayed payment or in the event that insolvency proceedings over Customer's assets have been applied for, Seller shall be entitled to immediately repossess the Goods hereunder. Repossession or attachment effected by Seller shall not constitute withdrawal from Contract. Transportation costs or other costs involved in repossession shall be paid by Customer.

10) Warranty

Seller guarantees and warrants that the Goods hereunder are of the texture agreed upon, or in the case of default of such agreement, of standard texture. Seller shall be liable for defects as follows: 1. Seller shall undertake to cure defects at Seller's own option by rework or replacement. In the event that Customer has, after first notice, inconclusively set forth a further grace period, or in the event that two attempts at reworking or one replacement delivery fail, Customer shall have the right to withdraw from Contract provided that the remaining legal conditions are fulfilled, and to enforce his rights according to the German Civil Code (BGB) Section 437 Paragraphs 2) and 3). 2. Detection of default shall be immediately reported to Seller in writing. Legal obligations of investigation and reproof shall not be affected. 3. Warranty is given only if installation of the Goods has been performed professionally by a specialised sanitary installation business. Warranty shall not apply to wearing parts (such as cartridges, head parts, diverters, aerators) and to damage due to incorrect installation or inappropriate use or care. 4. Claims for defects shall be limited to two years from the date of delivery.

11) Exclusion of Liability

Any and all liability involving compensation, irrespective of reason, shall be excluded. This shall however not apply if intent or gross negligence can be held against Seller or his legal representative, or if Seller becomes liable under product liability law for personal or material damage arising from appropriate usage of the Goods. Exclusion of liability shall also not apply in the case of loss of life, injury or physical harm. Exclusion of liability shall also not apply in the case of breach of essential contractual duties (paramount duties). Paramount duties hereunder shall be defined as contractual duties the execution of which is the condition for effecting the purpose Customer pursues with the conclusion of Contract, and the execution of which Customer has confided in and is justified to confide in. In the event that Seller is liable upon breach of a paramount duty hereunder, liability shall be limited to the typically predictable damage.

12) Passing of Risks

1. The risk of accidental loss or accidental impairment of the Goods shall pass over to Customer, at the latest upon the instant of receipt by purchaser, shipping agent, haulage contractor or other third-party carrier. This shall also apply to partial deliveries. 2. In the event that delivery is delayed for reasons within Customer's responsibility, the risk shall pass over to Customer upon Seller's notice that the Goods are ready for shipment.

13.) Miscellaneous

1. Place of execution and payment shall be Seller's registered office. Any and all disputes arising from these Terms and Conditions shall be subject to the exclusive jurisdiction of the courts located in Duesseldorf, Germany. Seller shall be entitled to effect litigation at the place of Customer's registered office. 2. These Terms and Conditions and all legal relationships between Seller and Customer shall be exclusively construed according to the laws of the Federal Republic of Germany, exclusive of all international and supranational legal systems, and in particular exclusive of the UN Convention on Contracts for the International Sale of Goods (CISG). 3. Any and all modifications or supplements to Contract inclusive of these Terms and Conditions shall be done in writing. This shall also apply to modifications or supplements to this article. 4. In the event that one or several provisions in these Terms and Conditions prove or become invalid, the validity of the remaining provisions shall not be affected. In this event the parties to the Contract shall be obligated to participate in setting forth provisions that, in legally effective form, provide for economic results as tantamount as possible to the invalid provisions.