

### § 1. Area of Application.

The following Terms and Conditions (AGB) shall apply for all present and future business relations between Hohenberger Tapetenmanufaktur GmbH (HOHENBERGER) and their customers (Orderer), even if they are not expressly referred to. Deviating and/or supplementary AGB of the Orderer shall not become part of the agreement.

### § 2. Conclusion of the Agreement

1.  
If the goods are on stock, the Orderer shall be bound to his order for two weeks (= offer as defined by § 145 BGB (German Civil Code)). A legally effective agreement will be reached only when, and not before, HOHENBERGER confirms the order within two weeks as of receipt of the order in writing (acceptance).

2.  
If the goods are not available, the periods of time under Section 1 shall be extended to three weeks.

### § 3. Period of Delivery

1.  
The periods of delivery stated by HOHENBERGER shall start with the dispatch of the written order confirmation (§ 2), yet not before the provision of records, approvals and releases possibly to be obtained by the Orderer and not before receipt of a prepayment agreed upon.

2.  
The period of delivery is considered to be kept if the readiness for dispatch has been announced or the goods to be delivered have left the company before its expiry.

3.  
HOHENBERGER shall not be liable if the periods of delivery are exceeded due to force majeure, industrial disputes, unforeseeable operational breakdowns or delays in supply of essential materials, as far as these obstacles have demonstrably affected the delivery of the goods to be delivered. HOHENBERGER shall also not be liable for this kind of exceeding if it occurs during an already existing delay. If the period of delivery is exceeded due the above circumstances, HOHENBERGER will immediately inform the Orderer about their occurrence and about their ending.

4.  
Part deliveries shall be reserved. The additional costs caused by them are at the expenses of HOHENBERGER.

### § 4. Scope of Delivery.

1.  
The scope of delivery is based on the written order confirmation (§ 2). If the scope of delivery stated there deviates from the order, the Orderer shall be obliged to reprimand within two weeks as of receipt of the order confirmation. Later reprimands cannot be considered.

2.  
Modifications to construction or format shall be reserved in a reasonable scope.

#### § 5. Compensation.

If the Orderer cancels his order on receipt of the order confirmation, and if the reason for this cancellation is to be attributed to the Orderer, he will have to pay HOHENBERGER a lump sum compensation of 30% of the order sum, unless the Orderer can prove that a smaller damage has actually been caused. HOHENBERGER reserves the right to assert a higher damage.

#### § 6. Packaging and Shipment.

Packaging and shipment of the goods shall be borne by the Orderer and will be invoiced separately. Mode of dispatch shall be at the reasonably exercised discretion of HOHENBERGER.

#### § 7. Acceptance and Transfer of Risk

1.  
The Orderer shall be entitled to inspect the goods to be delivered at the agreed place of handing over within fourteen days as of receipt of the availability notification or any other information about the completion of manufacturing. The Orderer shall be obliged to accept the delivered goods within this period of time, unless he is temporarily not able to accept the goods through no fault of his own.

2.  
If the Orderer is intentionally or grossly negligently in arrear with the acceptance of the object of purchase for more than 14 days upon the availability notification, then HOHENBERGER will have the right to withdraw from the agreement and/or to demand damages for non-performance after having set an extension of further fourteen days. It will not be necessary to set this extension, if the Orderer seriously and finally refuses acceptance or if he is obviously not able to pay the purchase price within this time.

3.  
When accepting the delivered goods, the risk of perishing, loss, deterioration and the risk of price shall be passed on to the Orderer. If the Orderer declares that he will not accept the delivered goods then the risk of an accidental perishing or an accidental deterioration of the delivered goods shall be passed to the Orderer at the time of refusal.

4.  
If it is a sale by delivery to a place other than the place of performance, then the risk shall be passed to Orderer, deviating from Section 3., with the handing-over of the delivered goods to the person charged with the transport.

#### § 8. Change in price

1.  
Changes in price during a running delivery time are allowed, if the costs for wages, the material costs or cost prices determined by the market increase and the delivery time is more than six weeks. In this case, the prices may be reasonably increased corresponding to the increase in costs. The Orderer shall only be entitled to withdraw, if the price increase exceeds the general living expenses in the time between the order and delivery by far.

2.  
If the turnover tax changes in the time between conclusion of the agreement and submission of account, the subsequent charge or repayment of the turnover tax rate, which has been

calculated too low or too high shall be reserved if the legislator has not expressly stipulated something else.

#### § 9. Warranty.

1.  
The legal provision shall apply for the warranty provided that the warranty and compensation claims shall come under the statute of limitation one year after delivery of the goods.
2.  
Immediately upon receipt, all goods must be checked as to faultlessness and completeness. Faults detected on this occasion shall immediately be reported to HOHENBERGER. The delivered goods are considered to be approved, if the Orderer does not reprimand the faults in writing not later than one week after delivery of the goods. The deadline is met if the notification of fault is dispatched in time. The Orderer shall be responsible for its evidence.
3.  
The Orderer shall inform HOHENBERGER about faults detected later on immediately after they have been detected within the periods stated under Section 2.
4.  
As for the rest, §§377ff HGB (German Commercial Code) shall apply.

#### § 10. Reservation of title.

1.  
Until the purchase price is paid in full, HOHENBERGER retains title to delivered goods. Title will only be passed to the Orderer after the delivered goods have been paid in full.
2.  
HOHENBERGER reserves the title to the delivered goods until all claims resulting from the business relation are paid, including any possible refinancing or reversal bill.
3.  
For the assertion of the reservation of title, HOHENBERGER is not required to rescind from the agreement.
4.
  - a. The Orderer may only resell the delivered goods in the proper course of a business as long as he meets his financial obligations towards HOHENBERGER and as long as his assets have not been subjected to insolvency proceedings and there is no protest of bills or cheques and if his properties have not been seized. In these cases his right of resale will automatically expire without any separate explanation of HOHENBERGER.
  - b. Already now, the Orderer shall assign his claims accruing from the resale, regardless of whether the delivered goods are resold before or after being processed (please cf. Section 4 c). The Orderer shall be entitled to collect the sums due – revocable at any time - as long as he meets his financial obligations towards HOHENBERGER and as long as his assets have not been subjected to insolvency proceedings and there is no protest of bills or cheques and if his properties have not been seized. In these cases his right of collection will automatically expire without any separate explanation of HOHENBERGER. If a collection authorisation is not made, no matter why, is revoked or has expired some other way, the Orderer shall place any details required for collection at HOHENBERGER's disposal and shall inform the debtor (third party) about the assignment.

5.  
The processing of the goods by the Orderer does not justify any acquisition of title to the manufactured goods of the Orderer.
- a) Processing shall exclusively be made for HOHENBERGER free of charge. If the reservation of title expires due to unexpected circumstances, HOHENBERGER and the Orderer are in agreement that the title to the manufactured goods shall be passed on to HOHENBERGER at the time of processing. HOHENBERGER shall accept this transfer of title, the Orderer is a depositary without remuneration.
- b. If the goods are processed with materials being the property of another, HOHENBERGER will acquire co-ownership of the new goods. The extent of the co-ownership shall be subject to the proportion of the invoice value of the goods delivered by HOHENBERGER to the invoice value of other processed objects.
- c. The Orderer assigns his claims resulting from a resale of the reserved goods inasmuch as the goods have been processed. If the processed object contains, apart from the reserved goods, only objects being the property of the Orderer or which are only subject to a simple reservation of title, the assignment shall comprise the complete purchase price claim accruing to the Orderer. In case advance assignments to several suppliers coincide, HOHENBERGER shall be entitled to a part of the purchase price claim corresponding to the proportion of the invoice value of the goods delivered by HOHENBERGER to the invoice value of the other processed objects.

6.  
The orderer is not allowed to pledge the delivered goods or to assign them as security. The Orderer shall immediately inform HOHENBERGER about seizures, attachments or other orders of third parties and he shall provide any information and all records required for safeguarding the rights of HOHENBERGER, particularly possible seizure records and affirmations in lieu of an oath indicating that the goods are subject to the reservation of title agreed upon here.

7.  
All securities due to HOHENBERGER shall be released on the Orderer's demand as far as their realisable value exceeds the value of the claims, which are to be secured and which have not been paid, by more than 20 %.

8.  
A possible taking back of the goods will only be made by way of security and does not represent any withdrawal from the agreement even if subsequent part payments are allowed. For the assertion of the reservation of title, it is not necessary to rescind from the agreement.

#### § 11. EUROFACTOR AG.

1.  
All claims resulting from the business relation have been assigned to Eurofactor AG, Bajuwarenring 3 D-82041 Oberhaching near Munich, Commercial Register Munich B 138351. Payments shall only be effective when they are made to Eurofactor AG.

2.  
Time of payment is the time the credit note is entered on the stated account of Eurofactor AG.

3.  
All rights resulting from security agreements existing in favour of HOHENBERGER, particularly equitable lien and reserved property in any form shall be assigned to Eurofactor AG.

4.  
Any product responsibility of Eurofactor AG is excluded.

#### § 12. Set-off, Rights of Retention

1.  
The Orderer shall only be entitled to set-off counterclaims due to him, if they are legally ascertained, undisputed or approved.
2.  
The Orderer is only allowed to exercise his right of retention as far as his counterclaim is based on the same legal relationship.
3.  
The above provisions shall also apply if HOHENBERGER suffers a decline in property, particularly insolvency.

#### § 13. Data Protection Clause.

HOHENBERGER shall be entitled to collect, store, process and to use informative details and data about the Orderer required in the scope of the agreement development and to transfer them to third parties particularly for collecting sums due or for the outsourced management of accounts receivable for storing, processing and use.

#### § 14. Liability.

1.  
Subject to the following provision HOHENBERGER shall not be liable for the slightly negligent violation of duties by HOHENBERGER, by their legal representatives or vicarious agents. In case of a slight violation of cardinal duties, the liability shall be limited to the amount of a typical damage which is foreseeable when concluding the agreement. HOHENBERGER shall not be liable for slight violations of duty negligently caused like delay or impossibility or only slight violations of protection duties negligently caused.
2.  
The above exclusions of liability and restrictions of liability do not apply in cases of liability independent of fault, particularly according to the Product Liability Act or in case of personal injury and damage to health or loss of life through one's fault.

#### § 15. Damages in Transit

The Orderer shall ensure that damages at the packing being visible at the time of delivery are confirmed in writing by the person responsible for the transport. HOHENBERGER shall be informed in writing about damages in transit, which are only established after having unpacked the goods, within 5 days upon receipt, § 9 Sections 2-4 shall apply accordingly.

#### § 16. Terms of Payment

1.  
The purchase price and the remunerations for ancillary performances shall become due for payment when handing over the delivered goods.

2.  
If the Orderer fails to pay the delivered goods within two weeks as of maturity, payment will become overdue. When the payment of a claim of HOHENBERGER against the Orderer becomes overdue, all claims of HOHENBERGER against the Orderer will automatically become due – irrespective of the business relation.

3.  
Cheques and bills of exchange shall only be considered as payment when they are cashed. The acceptance of bills shall be subject to a previous agreement in writing. When accepting bills of exchange, the usual discount and collection expenses of bank will be charged and shall be paid in cash at once.

#### § 17. Place of Fulfilment and Jurisdiction, Applicable Law

1.  
Place of fulfilment is the business place of HOHENBERGER in Hohenberg.

2.  
Place of jurisdiction is either the place of business of HOHENBERGER (Hohenberg) or the place of the business of EUROFACTOR AG (Oberhaching near Munich), depending on the choice of HOHENBERGER.

3.  
The German law shall exclusively apply. The use of the UN Sales Convention is excluded. The provisions of the UN convention for assigning claims in the international legal relations shall be considered as agreed subject to a condition precedent at the time when they become effective.

#### § 18. Miscellaneous:

1.  
The assignment of rights and duties of the Orderer resulting from the concluded agreement requires the previous consent of HOHENBERGER in writing to become effective.

2.  
If one of the provisions is or becomes ineffective, the effectiveness of the other provisions remains unaffected.

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