

GENERAL TERMS OF BUSINESS



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SECTION 1 GENERAL – SCOPE OF VALIDITY AND CONTRACTUAL PARTNERS

1. Unless otherwise expressly agreed in writing, these General Terms of Business form an integral part of all offers and contracts governing the Seller's deliveries of goods and services relating to current and future business relations, and apply solely and exclusively to all concluded contracts, including any and all consultancy services.

These General Terms shall be deemed to have been accepted upon receipt of the goods or services at the latest. They shall equally apply to consultancy services where these are not the object of a separate consultancy agreement.

2. In addition to these General Terms, all timber deliveries shall – provided that they do not contradict these General Terms – be subject to the usages that prevail in the timber trade, in particular the "Tegernsee Usages", as amended from time to time, along with all their appendices and their annex. It is hereby assumed that the Purchaser is familiar with their wording.

3. The Purchaser's own general terms of business shall not apply, even if these are not expressly rejected by the Seller. No actions undertaken by the Seller in fulfilment of a contract or order shall constitute approval of the Purchaser's general terms of business; rather their acceptance shall require the Seller's written consent.

4. Individual agreements reached with the Purchaser on a case-by-case basis (including ancillary agreements, additions and amendments) shall, in any event, take precedence over these General Terms of Business. Subject to proof to the contrary, a written contract and/or the Seller's written confirmation shall be decisive with respect to the content of such agreements.

5. Legal declarations and notifications submitted to the Seller by the Purchaser following conclusion of the contract (e.g. the setting of deadlines, notices of defects, declarations of rescission or diminution) must be given in writing in order to become effective.

SECTION 2 OFFERS – CONCLUSION OF CONTRACT

1. All offers submitted by the Seller are non-binding.

2. The Seller shall be granted a period of two (2) weeks in which to accept the Purchaser's offer. Any verbal agreements concerning the offer shall require the Seller's immediate written confirmation in order to become effective.

3. Orders shall furthermore be deemed accepted if they are either accepted by the Seller in writing or immediately exe-

cuted upon receipt of order, or executed by the agreed delivery date at the latest. The invoice shall then be deemed a confirmation of order.

4. Minor material-dependent deviations from the illustrations, catalogue descriptions, samples or exhibits on which the order is based, in particular colour or wood grain deviations, are hereby reserved. Such material-dependent deviations, as well as typical product properties shall constitute the object of the agreement and shall not prevent a contract from being concluded.

SECTION 3 PRICES

1. All prices shown are quoted in euros. The prices are understood to be net and subject to taxes and duties.

2. The Seller's acceptance of an order is based on the prices that are currently valid at the time the order is placed.

3. Prices do not include any costs relating to packaging, freight, customs, import, insurance or ancillary charges.

SECTION 4 DELIVERY AND TRANSFER OF RISK

1. Our obligation to deliver shall be subject to our receiving correct and timely delivery from our suppliers.

2. Delivery times shall be agreed in the order confirmation or confirmed in writing by the Seller and deliveries made to the specified shipping address.

3. Partial deliveries shall be permitted to a reasonable extent and must be accepted by the Purchaser.

4. The Purchaser shall not be liable for any impossibility of performance in respect of deliveries or for delays in deliveries where these are caused by force majeure or by any other events that, at the time of concluding the contract, could not be foreseen and are beyond the control of the Seller (e.g. raw material scarcities, wars, mobilisation, natural disasters, strikes, fire, theft, disruptions to technical operations, raw material shortages, unforeseeable government import or export restrictions, official directives, or disruptions to transport routes, etc.).

5. Should such events significantly impact the Seller's ability to deliver goods or services but only constitute a temporary delay in delivery, the agreed delivery time for the goods or services shall be extended by the corresponding period of delay plus an appropriate start-up period. The Seller shall immediately notify the Purchaser of the start and end time of such hindrances.

6. In the event that the Seller finds it impossible to deliver goods or services, in particular due to force majeure (Section 5(3)), the Purchaser shall be entitled to withdraw from the contract.

7. Where a failure to deliver results from delays in delivery, the Purchaser – having set a period of grace of at least four (4) weeks – shall be entitled to withdraw from the contract.

8. Where divisible deliveries of goods or services are concerned, the Purchaser shall solely be entitled to partially withdraw from the contract.

9. With regard to delays in the delivery of goods or services, the Seller shall only be liable where these are caused by its own negligence or that of its vicarious agents, but not for that of its sub-suppliers. Upon request, the Seller shall be required to assign to the Purchaser any claims against sub-suppliers owing to the Seller.

10. Once the consignment has been handed over at the agreed place of delivery, the Purchaser shall bear the risk of loss or deterioration of the items in question. For sales involving delivery to a place other than the place of performance, the risk of accidental loss or accidental deterioration of the goods, as well as the risk of delay shall be transferred upon delivery of the consignment to the carrier, forwarder, or other individuals or entities designated to carry out the shipment.

SECTION 5 TERMS OF PAYMENT; SET-OFF

1. Unless otherwise agreed, the prices current at the time the contract is concluded shall apply each time, ex warehouse (plus statutory value-added tax), and the purchase price shall be due net, immediately upon receipt of the goods.

2. In the event that the Purchaser and Seller agree on payment by direct debit, the Purchaser shall merely be required to notify the Seller of the direct debit amount and due date one day prior to the due date (pre-notification).

3. The Seller shall, including in the course of an ongoing business relationship, be entitled, at any time, only to carry out delivery, whether in whole or in part, on a cash-in-advance basis. A proviso to this effect will be included in the order confirmation at the latest.

4. Should the purchaser default on payment, the applicable statutory interest rate in the amount of five (5) percentage points above the base rate in force at the time (Section 288 German Civil Code [BGB]) shall be charged from the due date until the day payment is received. Any cash discounts that have been agreed shall not be granted where the Purchaser is in arrears concerning payment of previous deliveries. Deadlines for cash discounts shall begin on the date of invoice. The Seller reserves the right to prove that it has incurred greater damages.

5. Payments made by the Purchaser shall first be used to settle payments still owing to the Seller and only then as settlement of goods supplied subject to retention of title.

6. Failure on the part of the Purchaser to meet agreed payments shall entitle the Seller to withdraw from the contract following expiry of a reasonable period of grace.

7. If, after receiving a warning notice (Sect. 286(1) BGB), the Purchaser defaults on payment or fails to honour a bill of exchange on presentation, the Seller, having previously issued a written warning, shall be entitled to reclaim or demand the return of the goods. The Seller may also prohibit the removal of the goods. The reclaiming of goods shall constitute a withdrawal from the contract.

8. The Purchaser shall not be entitled to refuse to pay or withhold payment if it was aware of the defect or other grounds for complaint at the time of concluding the contract. This shall equally apply if the Purchaser was unaware of the same due to gross negligence, unless the Seller willfully concealed the defect or other grounds for complaint or issued a warranty as to the condition or fitness of the items. In all other respects, the withholding of payment due to defects or other grounds for complaint may only occur to a reasonable degree. In the event of a dispute, the amount shall be determined by an expert assessor appointed by the Purchaser's chamber of industry and commerce. The assessor shall furthermore determine, at their own discretion, how the costs of their intervention are distributed.

9. The Purchaser shall only be entitled to set-off pursuant to Sect. 388 ff. if the counterclaim is legally established or undisputed. The Seller shall only be entitled to exercise its right of retention if its due counterclaim is founded on the same contractual relationship.

10. If, after conclusion of the contract, it becomes apparent (e.g. through an application to open insolvency proceedings) that the Seller's entitlement to the purchase price is jeopardised due to the Purchaser's inability to fulfil performance, the Seller shall be entitled, pursuant to the statutory provisions, to refuse performance and – if necessary, after setting a corresponding deadline – to withdraw from the contract (Sect. 321 BGB). Where contracts governing non-fungible goods (custom manufacture) are concerned, we shall be entitled to withdraw immediately. The statutory regulations governing the dispensability of setting deadlines shall remain unaffected.

SECTION 6 RETENTION OF TITLE

1. All objects of purchase shall remain the Seller's property until payment of the purchase price and all other due payment claims owing to the Seller arising from the contractual relationship have been settled in full.

2. The Purchaser shall be entitled to continue to dispose of the object of purchase within the ordinary course of business. The Purchaser shall – at the time of concluding a purchase agreement with its customer – assign to the Seller all payment claims in the amount of the goods subject to retention of title so sold. Notwithstanding this assignment, the Purchaser shall be entitled to collect any payment claims arising from the re-sale of the aforementioned goods.

3. Should the supplied goods be combined with a moveable item to such an extent that they become an intrinsic part of another good, which is to be viewed as the principal good, the Seller shall acquire a share of ownership therein equiva-

lent to the value of the supplied goods. The Purchaser's resulting assignment of the payment claim to the Seller arising from the resale (see Article 2) shall extend to the amount equivalent to the Seller's share in the shared ownership.

SECTION 7 CHARACTERISTICS – NOTICE OF DEFECTS – WARRANTY

1. Wood is a natural product. Its natural properties, differences and features must always be respected. In particular, its biological, physical and chemical properties must be considered when purchasing, processing and using woods. The broad-ranging, naturally-occurring differences in colour structure and other aspects of a given type of wood are all part and parcel of the properties of this natural product "wood".
2. The Purchaser shall be required to inspect each consignment immediately upon delivery to verify the quantity, contractually agreed characteristics and, where applicable any additionally warranted properties.
3. Written notice of apparent defects must be provided to the Seller immediately and no later than fourteen (14) calendar days after receipt of consignment. The deadline for serving notice of discolouration shall be shortened to seven (7) calendar days except where delivery of dry goods has been agreed. Where mutual commercial transactions are concerned, the duties arising from Section 377 German Commercial Code (HGB) shall remain unaffected, especially in regard to the duty to serve notice of defects in the event of hidden defects.
4. Should the Purchaser establish a defect in the object of purchase, the Purchase must not dispose of the items. The object of purchase must not be divided, re-sold or processed until an agreement on its handling or until evidence has been secured through a publicly appointed, sworn expert.
5. Should the supplied goods or service be defective, the statutory warranty regulations shall apply subject to the provisions of Section 9.
6. Over-deliveries and under-deliveries within a 10% margin of the ordered quantity are hereby contractually agreed.

SECTION 8 LIABILITY

1. Pursuant to the statutory provisions, the Seller shall be liable
 - for culpable injury to life, limb or health, and
 - for other damage resulting from wilful intent or gross negligence, including if the breach of duty is founded on correspondingly culpable conduct undertaken by one of its legal representatives or vicarious agents.
2. The Seller shall furthermore be liable
 - for material breaches of contractual duties resulting from slight negligence, including by its legal representatives or vicarious agents. Material breaches of contractual duties are such duties the performance of which enable the orderly performance of the contract in the first place, the infrin-

gement of which jeopardises attainment of the purpose of the contract, and on the adherence to which the Purchaser must be able to rely. In this respect, liability shall be restricted to typical, foreseeable damage for the type of product in question subject to the contract.

3. Finally, the Seller shall be liable
 - if it has wilfully concealed defects or issued a warranty as to the condition or fitness of the goods, and
 - for claims founded on product liability law
4. In all other respects, the Seller's liability shall be excluded

SECTION 9 LIMITATION PERIODS

1. The limitation period for asserting warranty claims shall be twelve (12) months from the passing of risk. Should the goods be collected in person, the period of limitation shall commence at the time of collection.
2. This shall not apply to the extent that the law governing a building or structure provides for longer periods, the object of purchase is typically used in a building or structure, and the defect results from the object of purchase, or in the case of an extended period of limitation in the event of a recourse claim pursuant to Sect. 445 b(1) BGB.

SECTION 10 PLACE OF FULFILLMENT – COURT OF JURISDICTION – APPLICABLE LAW

1. The place of fulfillment and court of jurisdiction for deliveries and payments as well as any and all disputes arising between the parties to the contract, provided that the Purchaser is a merchant, legal entity under public law or special fund under public law, shall be the registered seat of the Seller's company.
2. This contractual relationship shall be governed exclusively by the laws in effect in the Federal Republic of Germany. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is hereby excluded.

SECTION 11 WRITTEN FORM REQUIREMENT, FINAL PROVISIONS

1. Any and all further agreements concluded between the Seller and the Purchaser must always be made in writing in order to become effective.
2. In the event that one or more of the provisions herein violate a legal ban or are ineffective, the validity of the remaining provisions shall not be affected. In place of the invalid provision, and in the event of any omissions, an agreement shall be deemed to have been reached that, having regard to the remaining terms of business, most closely reflects the commercial interest and presumed intention of the contracting parties.