

General Sale and Delivery Conditions of Grohe AG

The following General Sale and Delivery Conditions (GTC) shall apply to all deliveries and services provided by us. If not stated otherwise in these GTC the statutory provisions shall apply to all agreements. Any conditions of the customer which diverge herefrom shall not apply, even if not expressly contradicted by us.

I. Offers and acceptance

- Our offers are non-binding and without obligation. An agreement shall only come into force with a written confirmation of order.
- We reserve the right to cancel any confirmed orders in the following events: a) The customer requests to postpone delivery for more than 30 calendar days (applicable only to Wholesale/Retail channels) or for more than 90 calendar days (applicable only to Projects channel) from the originally communicated delivery date in the order confirmation. b) The customer does not fulfill the payment terms as stipulated in the order confirmation. Additionally, storage costs resulting from delays of the delivery for which the customer is responsible (including negative credit risk assessments) may be charged.

II. Scope of delivery

- Our order confirmation or any individually negotiated agreement shall be definitive for the scope of the delivery.
- We reserve the right to make amendments to adjust the subject of the performance to the state of technology in as far as data regarding the subject of the performance as a whole are not substantially affected and the customer can be reasonably expected to accept such change. We shall inform the customer in advance of any material changes to the execution of deliveries.

III. Prices and payment conditions

- All prices shall be expressed in Euro plus Value Added Tax ex works or warehouse. The costs for packaging and freight shall be borne by the customer in as far as no other agreement was reached in the order confirmation.
- We reserve the right to increase prices in order to cover any wage and/or material price increases for deliveries which are made later than four months after conclusion of the agreement.
- Our invoices shall be due for payment within 30 days of the date on the invoice without deduction, unless otherwise agreed.
- In the event of payment default the customer shall pay interest on our claims at the statutory rate under German law, without necessity for a reminder..
- If the creditworthiness of the customer materially deteriorates after the conclusion of the agreement, we shall be entitled to demand reasonable security before executing our supplies and services. If the customer does not satisfy this request in good time, we are entitled to rescind the agreement; the customer shall not have any compensation claims.
- The customer may not set off counterclaims unless the counterclaim is undisputed or *res judicata*.

IV. Time and place of delivery, transfer of risk

- Deadlines and dates are non-binding, unless otherwise agreed in writing. If we have expressly bindingly committed ourselves to a delivery deadline in the order confirmation the delivery deadline shall only begin to run after clarification of all details for the execution of the order.
- In the event of non-observation of an - exceptionally - binding deadline for which we are not responsible reasonable extension to the deadline shall be granted. This shall apply in particular in the event of industrial action and of force majeure in our business or in the business of a supplier. We shall inform the client as soon as possible of the beginning and end of such circumstances.
- If we are in default owing to an - exceptionally - binding deadline then the compensation claim to which the client is entitled as a result of the infringement of duty which can be attributed to us and for which we are responsible shall be limited to 2% of the purchase price per complete week and to a maximum of 10% of the purchase price.
- We are entitled to make part deliveries at any time.
- Supplies and services shall be ex works or warehouse, unless expressly stated otherwise in writing. The provision of supplies and services at other locations shall be at the cost and risk of the customer.

V. Reservation of title

- We reserve the right of ownership in the item to be delivered until payment in full of the purchase price including the charges for any additional services. Moreover, the items delivered to commercial customers shall remain our property until satisfaction of all claims from the respective business association, irrespective of legal reason, including default interest and the cost of prosecution.
- Any processing of the reserved goods shall be in our name. If our property is installed in goods of third parties, we shall become co-owners of the newly created product in relation to the value of the reserved goods to the third party goods also used. The products so created shall also be regarded as our reserved goods.
- The customer is entitled to sell on reserved goods only in the context of reservation of title. Other disposals, pledges or transfers of ownership by way of security are not permitted. If third parties have access to the reserved goods, the customer shall refer to our ownership and inform us without undue delay.
- The customer now assigns to us all claims arising from the re-sale of the reserved goods, including ancillary rights in the amount of the value of the reserved goods. As long as the customer satisfies his payment obligations duly he is entitled and obliged to collect the assigned claims. If the customer falls into default we are entitled at any time to revoke the direct debit authorisation and to inform the purchasers of the customer of the assignment as well as to withdraw the reserved goods or, if appropriate, to demand the assignment of the surrender claim of the customer vis-à-vis third parties. At our request the customer shall disclose the assignment and hand us without undue delay the necessary information and documents. In the event of payment default or application for the commencement of insolvency proceedings on the assets of the client we shall be entitled to immediately re-possess the delivered goods. The return or pledge of the reserved goods to us does not represent rescission of the contract. Any transport or other costs incurred by us by taking back the goods shall be at the expense of the customer.
- Nos. 1 to 4 above shall apply in as far as the rights of reservation set out there can be legally grounded in the country in which the customer has its domicile. As an alternative the rights concerning secure possession applicable at the domicile of the customer shall be as agreed in our favour. The customer undertakes to assist us in all measures to ground and maintain our property rights in the goods delivered.

VI. Rights of the customer in the event of defects on delivery.

We guarantee that the goods supplied by us correspond to the agreed condition and, in the event that no such agreement exists - to usual conditions. In the event of faults in the supplied goods we are liable as follows:

- We undertake to remedy faults in the supplied goods either by improvement or replacement delivery as we choose. If, following a first demand the customer has set a further deadline which has expired without success or if two attempts to secure subsequent improvement or one replacement delivery have been unsuccessful, the customer may at its discretion demand rescission of contract or reduction in price.
- The discovery of faults shall be reported to us in writing without undue delay. The statutory inspection and complaint duties of commercial customers shall remain unaffected thereby.
- No liability shall be assumed for unsuitable or inappropriate use, faulty assembly or commissioning by the customer or third parties, natural wear and tear, faulty or negligent treatment, unsuitable operational means or chemical, electrochemical or electrical influence, in as far as they cannot be attributed to us.
- The limitation period for claims on the ground of defects shall be one year. It shall commence on delivery of the contractual goods.

VII. Liability and compensation

- Our liability is excluded unless we are guilty of intent or gross negligence or if we are liable for personal injury or damage to property under the provisions of the Product Liability Act (*Produkthaftungsgesetz*) which occurred when using the goods supplied.
- Furthermore, the exclusion of liability shall not apply if the damage incurred is based on the infringement of a material contractual duty (cardinal duty). A cardinal duty is a basic and material contractual obligation, the satisfaction of which is only made possible by the fulfilment of the purpose pursued by the customer when concluding the agreement and the fulfilment of which the customer trusts in and may trust in. If we are liable under sentence 1, the liability is restricted to the damage foreseeable when the agreement is concluded.

- In the event of damage to property for which we are responsible, our liability is restricted to the replacement performance under our liability insurance. In as far as this does not apply, we are liable in the context of the restriction of our liability in content and scope pursuant to paragraph (2) above.

VIII. Compliance, Indemnity and Termination in Case of Breach

- The customer (including its employees or agents) shall observe all applicable laws and regulations in connection with its duties. In particular, the customer (including its employees or agents) shall
 - not make, arrange nor support any direct or indirect payments, material allowances or gifts to third parties, especially but not limited to its customers, their employees, shareholders or managing directors, and shall not accept nor agree to accept any such payments/allowances as may constitute an illegal or corrupt practice under the relevant laws ("**Anti-Corruption Obligation**");
 - comply with applicable Trade Sanctions and Export Control Laws in their conduct related to the goods. Trade Sanctions and Export Control Laws shall mean the export controls, economic, financial or trade controls or sanctions laws, regulations, embargoes or restrictive measures, administered, enacted or enforced by the United Nations, the European Union and each of its member states, Japan and the United States, as well as any other such laws, regulations, embargoes or restrictive measures administered and enforced by other jurisdictions when applicable to activities or dealings related to the goods. ("**Trade Compliance Obligation**");
 - notwithstanding the generality of sub-clause (ii) above, not resell, export, reexport, distribute, transship or transfer our products, or any spare parts, warranty items or technical data related to our products, directly or indirectly, to, through or for the benefit of a person or entity located, headquartered or operating in or organized under the laws of Cuba; Iran; North Korea; Crimea; Syria; the non-government controlled areas of Ukraine in the oblasts of Donetsk, Kherson, Luhansk and Zaporizhzhia; the Russian Federation or the Republic of Belarus ("**Sanctioned Countries**") (such list of countries or regions as may be updated by us and communicated to you from time to time at our sole discretion);
 - comply with competition law and, in particular, with all antitrust regulations ("**Antitrust Obligation**");
 - at all times maintain strict compliance with the Anti-Corruption, Antitrust and Trade Compliance Obligations, monitor its employees and agents to ensure their compliance with these obligations and, in all its dealings, make clear that it is acting in accordance with the Anti-Corruption, Antitrust and Trade Compliance Obligations.
- In the event of any breach of the Anti-Corruption Obligation, Antitrust Obligation or Trade Compliance Obligation,
 - we shall be entitled to receive compensation for damages;
 - the customer shall indemnify us and hold us harmless from any and all claims of third parties;
 - we are entitled to terminate the agreement.

IX. Final Provisions

- Place of performance and payment is our domicile. Forum shall be Düsseldorf. We are entitled to sue the customer at its domicile.
- German law shall apply exclusively. The application of the CISG (Convention on Contracts for the International Sale of Goods dated 11.04.1980) is ruled out.
- Amendments and additions to this Agreement including these GTC shall be in writing. This shall also apply to a supplement or amendment to this written form requirement.
- If individual provisions of these GTC should be or become invalid this shall not affect the validity of the other provisions. In such an event the parties involved are obliged to jointly establish legally effective substitute provisions which reflect as closely as possible the economic intent of the ineffective provision.

You can find our information on data protection at:
<https://www.grohe.com/en/corporate/privacy.html>

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