

Export Conditions of Sale and Terms of Payment

KLAFS GmbH & Co. KG, Schwaebisch Hall

1. General

The following Conditions of Sale and Terms of Payment apply to all business transactions between KLAFS GmbH & Co. KG, D-74523 Schwaebisch Hall and the customer. They will be deemed to have been acknowledged by the customer upon placement of the purchase order or at the latest upon acceptance of the first shipment or service provided. The content of the Confirmation of Order and the following Conditions of Sale and Terms of Payment shall apply exclusively. Any Supplements amendments or subsidiary agreements and in particular any information provided by our field representatives relating to options on site and prerequisites for the installation of our products, shall not be binding unless they have been confirmed by us in writing or are specifically referred to in our Confirmation of Order. Our sales representatives are not authorized to enter into subsidiary verbal agreements or to give verbal assurances beyond the content of the written contract. In the first instance, the description given in the current price list defines the scope of delivery. This price list renders all previous price lists null and void.

2. Quotations

Our quotations are provided without obligation. On being confirmed, any illustrations, dimensions or drawings accompanying quotations or Confirmations of Order shall be binding only if no subsequent changes occur on site no changes are made to official regulations or new regulations passed or design changes made. If, however, for these reasons, changes are required which it is reasonable to expect the customer to accept we reserve the right to adapt the specification to the revised circumstances. If this gives rise to additional costs, the purchaser shall be notified accordingly in advance. The external dimensions of saunas given in quotations may vary by up to 5 cm, depending on the type of exterior panelling specified and the position of the panel containing the air outlet. This does not affect the internal dimensions. Retropective changes of this nature will be deemed reasonable for the customer to accept.

3. Prices

Prices are fixed for a period of six months following conclusion of contract. If the period between the conclusion of contract and the agreed and/or actual delivery date exceeds six months, the seller's prices applicable at the time of the delivery or provision of services shall apply. If the last-named prices exceed those initially agreed by more than 10%, the purchaser shall be entitled to withdraw from the contract. On payment of at least one-third of the value of the order, fixed prices in the above sense may be agreed separately, even for a period exceeding six months. Quoted prices are ex-works. Charges for incidentals such as packaging, insurance, delivery (transport), assembly and the connection of any additional materials required, will be invoiced separately. Consignments valued at less than EUR 150.- are subject to a small-order surcharge of EUR 20.-. If the goods are delivered by truck and assembled by KLAFS personnel, the costs of transport and assembly may be invoiced at a flat rate, subject to assembly being possible immediately after delivery, without interruption, and provided that only one journey is required for the delivery and assembly operations. In the event that additional journeys are required for reasons not attributable to us, we will invoice the resulting additional costs separately. Our prices do not include the costs of services to be provided by the customer on site.

4. Goods and services to be supplied on site by the customer prior to installation by KLAFS personnel

- General: The customer undertakes to complete all the requisite on-site operations before the date agreed for delivery and assembly. Doors, staircases and corridors must be of sufficient width to permit saunas, plunge tubs, whirlpools and medicinal baths to be conveyed to the place of installation. Unless otherwise agreed, openings and passageways at least 80 cm in width are required.
- Sauna and SANARIUM installations: The room in which the sauna will be installed must be in a clean and tidy condition when the sauna is delivered. The floor in and around the area where the sauna will be placed, together with the electrical installation, the requisite preparations for the connection of the ventilation and venting facilities and/or the laying of air inlet and outlet ducts must be completed by the time of delivery. The electrical installation must be carried out in accordance with our specifications by locally approved, qualified electricians, as must any additional electrical connections.
- Plumbing installation: All plumbing system pipes are to be laid on site in accordance with our specifications unless otherwise specified or agreed.
- If the customer defaults on any of his obligations as described under Item 4, he will be required to compensate KLAFS for the resulting loss. In this event, moreover, and provided that the remaining legal requirements are met, we shall also be entitled to withdraw from the contract or to claim compensation on grounds of non-fulfilment.
- It must be possible to conduct works necessary for assembly (such as drilling, sawing and so forth) at the place in which the KLAFS products are to be installed.
- Wall and product claddings (such as pedestals for pools and tubs) may not be mounted before our products are installed.

5. Delivery period

When goods are called within the scope of a framework order, the desired delivery date must be specified in writing 30 working days in advance, unless a longer call period has been agreed. KLAFS will respect delivery dates to the best of its ability. Should supply be delayed for reasons for which we are responsible then the mandatory period of extension which the buyer is required to allow by law shall be at least three weeks. The period of extension shall commence with our inception of the extension period.

If we are not responsible for the delay in delivery, and in particular if the said delay is attributable to an Act of God, e.g. interruptions in operations for reasons beyond our control, delays in the supply of essential raw materials and other materials, strikes or lockouts, the delivery period shall be extended or the agreed delivery date postponed by the length of time for which the said delivery difficulties beyond our control prevail. In such cases, however, the customer shall be entitled to withdraw from the contract on the expiry of two months after the original delivery date.

6. Terms of payment

Payment is to be made or guaranteed before the goods are dispatched.

7. Retention of title

The goods supplied shall remain our property until such time as all the requirements arising from the business connection with the customer have been met. Should the customer fail to comply with the terms of the agreement, especially by defaulting on payment, then we shall be entitled to take back the goods supplied. We require immediate written notification from the customer in the event of attachment or other interventions by third parties, including execution proceedings on the premises accommodating the goods subject to reservation of ownership. Any processing or alterations undertaken by the customer on the goods supplied shall be undertaken on our behalf at all times. Should the goods supplied be processed with other items not belonging to us then we shall acquire joint ownership of the new objects in proportion to the value of the goods supplied relative to the other processed objects at the time of processing. The same shall apply to the object produced by the act of processing as that which applies to the goods supplied under reserve. If the goods supplied are mingled inseparably with objects not belonging to us then we shall acquire joint ownership of the new object in proportion to the value of the goods supplied relative to the other mingled objects at the time of mingling. Should the mingling occur such that the principal's object is to be regarded as the main object then it shall be deemed to have been agreed that the customer shall transfer joint ownership to us pro rata. Our sole or joint ownership evolving in this way shall be preserved by the customer on our behalf.

8. Lump sum compensation

In the event of repudiation of the contract or any part thereof by the purchaser, KLAFS shall be entitled, without prejudice to any other legal measures, to claim lump-sum compensation in the amount of 15% of the value of the order, unless the purchaser is able to prove that we have incurred no loss or a substantially lesser loss. KLAFS reserves the right to enforce a higher actual loss.

9. Materials and samples

- In the case of natural products such as wood, natural stone and ceramics, colour shades, grain and the characteristics or baking of ceramics may exhibit deviations from samples or display cabins. This does not constitute a defect.
- Typical wood growth characteristics, grains and differences in colour reflect the natural properties of the woods used and do not constitute a defect.
- Measurement tolerances complying with German standards or reflecting the specific properties of the materials used are permissible. In the case of glass elements, hairline scratches, bubble seeds and minor flaws not affecting stability are permissible.

10. Guarantee

We shall perform the agreed service in accordance with the best available technology at the time of commission, in compliance with the relevant legal provisions and with due adherence to the levels of diligence customary in the trade. We shall not be liable for defects caused by unsuitable or improper use, incorrect assembly or operation by the customer or third parties, normal wear and tear of expendable parts (e.g. steam cylinder, silicone seams, UV fluorescent tubes), incorrect or negligent handling or deficient construction work. We require immediate written notification of any defects. Claims based on defects shall become time-barred 24 months after the passing of risk. The guarantee period is 12 months.

11. Delivery time and delays in delivery

- In the case of off-the-shelf orders, the required delivery date shall be stated in writing 30 working days in advance insofar as a longer lead time has not been agreed.
- Delivery deadlines shall commence with the date of confirmation of order. Notwithstanding this, said delivery deadlines shall not commence prior to the timely and proper fulfilment of the obligations of the customer, meaning in particular in respect of provision of documentation to be obtained by the customer, obtaining of planning permission or authority and receipt of an agreed deposit.
- In the event of an Act of God or other unforeseeable and extraordinary circumstances not the fault of the supplier, such as equipment failure, strikes, lock-outs, governmental intervention, difficulties in power supply and the like, the delivery time shall be extended by the duration of the hindrance and an appropriate lead time in the event that such circumstances prevent the timely fulfilment of our obligations. The same shall apply in the event such circumstances arise for sub-suppliers.

12. Liability

We shall be liable under the relevant legal provisions insofar as the customer asserts claims for damages or for reimbursement of expenses (hereinafter referred to as "claims for damages") which are based on deliberate acts or gross negligence, if we are in wilful breach of contract and in cases of injury to life, limb or health. The compensation for breach of a major contractual obligation shall be limited to foreseeable damages typical under the contract. There shall be no further liability for damages regardless of the legal nature of the asserted claim. The mandatory terms of the Product Liability Act shall remain unaffected.

13. Documents

Any documents or other material transferred to the customer, such as drawings, models, drafts and calculations, shall remain our property until the placement of a legally valid order. In the event that no order is placed, we shall be entitled to request the return of all the said items. The purchaser shall not be entitled to publish our drawings, models, drafts or calculations or to reproduce them or use them for any purpose other than as agreed, without our express permission.

14. Legal venue, partial invalidity, language of contract

The place of jurisdiction shall be 74523 Schwaebisch Hall. We shall, however, be entitled to bring an action against the customer at another legal venue. The contract is governed by the law of the Federal Republic of Germany to the exclusion of conflict of laws provisions, the UN Convention on Contracts for the International Sale of Goods or other conventions on the laws governing the sale of goods.