

General Terms and Conditions of Business of RATIONAL Kitchen & Catering

Equipment Trading FZCO

I. General Terms

1. These General Terms and Conditions shall apply without exception to all orders placed with RATIONAL, including future orders, even if the order from the customer contains divergent terms and conditions. Such terms and conditions – regardless of when we receive them – are explicitly rejected.
2. Amendments and additions to these General Terms and Conditions of Business shall be made in writing.
3. In case RATIONAL agrees on the Customers' Terms and Conditions beside its own Terms and Conditions in writing, but the Terms and Conditions used by the Parties are contradictory in part, both Terms and Conditions shall apply as long as they correspond to each other, other provisions shall be replaced by the applicable law.

II. Quotation/order confirmation

1. RATIONAL's quotations are non-binding unless they are explicitly designated as being binding. Any documents such as catalogues, brochures, illustrations, etc. supplied with the quotation are based on RATIONAL's general experience and knowledge and are to be considered as guide values or identification only.

Product specifications as well as any explicitly agreed performance characteristics/ applications do not release the buyer from checking and testing the technical and legal qualification for the intended use of the product.

2. Specifications regarding the properties and application options of RATIONAL products do not involve any guarantees if not explicitly referred to as such.
3. Ownership and copyright of drawings, designs, models and other documents rest with RATIONAL. Such documents must not be made available to third parties and must be returned to RATIONAL immediately upon request.
4. Offers from RATIONAL are subject to change.
5. Contracts shall be formed as a result of RATIONAL's written order confirmation, the contents of which shall prevail. Amendments and subsidiary agreements shall be in writing.
6. The Customer is obligated to provide correct and specified data in full and check the order confirmation for the correctness of the data provided by him.
7. The right of technical modifications is reserved.

III. Delivery

1. A binding delivery date shall be agreed only when it has been confirmed as such by RATIONAL in writing. Binding delivery dates are subject to the precondition that the customer has notified RATIONAL in full and correctly of all technical prerequisites, including all dimensions, etc. If the Customer fails this precondition RATIONAL shall not be responsible for resultant delays. The delivery date shall be amended accordingly.
2. The Customer must fulfil all obligations incumbent upon the Customer, such as the provision of a down payment, in due time.

If this is not the case, the delivery time shall be extended accordingly. This does not apply insofar as RATIONAL is responsible for delay.
3. A binding delivery date shall be deemed to have been adhered to if the delivery is dispatched on this date to the customer or the specified delivery address.
4. The delivery time shall be extended further as appropriate in the event of unforeseeable conditions, which are beyond RATIONAL's control, regardless of whether such events arose at RATIONAL or its suppliers, for example, cases of force majeure, industrial actions, import and export restrictions, approval from official authorities, labour disputes, in particular strike and lockout, and other delays beyond a party's control, in the completion of delivery parts, malfunctions, or defective goods, delays in the delivery of essential parts and raw materials, insofar as those conditions have a significant influence on the completion or sending of the goods ordered. These types of conditions shall also be deemed beyond RATIONAL's control if they occur during a delay that is already effective; excluding circumstances which occurred during an already existing delay. This shall also apply if such circumstances arise in the case of RATIONAL's supplier.
5. In the event of a delivery delay for which RATIONAL is responsible, the customer shall be able to withdraw from the contract only after fixing a reasonable final deadline of at least 10 days and explicitly

giving notice of rejection of the contract. Claims for damages shall be excluded subject to the rules in Art. VI.

6. If RATIONAL causes delay and the Customer accrues losses due to the delay, the Customer shall be entitled to claim a flat-rate compensation. Such compensation amounts to 0.5% for each complete week of delay, amounting to a total of no more than 5% of the price for the part of delivery and service that, due to the delay, could not be put into appropriate operation. Any additional claims due to delay of delivery are exclusively subject to Art. VI of these conditions. Notwithstanding this clause it shall be permissible to the customer to prove a higher level of damage.
7. If the Customer causes a delay in accepting the delivery or culpably infringes another obligation to co-operate, RATIONAL shall be entitled to demand compensation for any damages incurred, including any additional expenditures. Any further claims are reserved.

IV. Transfer of risk

Risk is passed to the Customer upon transfer of the delivery to the shipping company or carrier. The transfer to the carrier shall be considered as delivery to the Customer. This also applies if a carriage paid delivery, ex works delivery, or similar arrangements have been agreed between the parties. The Customer may not refuse to accept delivery on account of a nonessential defect.

V. Retention of title

1. The goods delivered shall remain RATIONAL's property until payment in full of all claims relating to the business connection. Resale of the retention of title to third parties shall require RATIONAL's agreement. In the event of resale, the customer shall hereby cede its claims on RATIONAL and shall undertake to provide RATIONAL with all details required to recover such claims.
2. Entitlement to resale and collection of receivables can be revoked, if the Customer enters into default of payment or if the Customer financial circumstances or credit worthiness significantly deteriorates. Upon request, the Customer shall be obligated to disclose the withdrawal to its recipients unless RATIONAL does not inform the recipients of the Customer itself, and give RATIONAL the necessary information for the assertion of its rights against the Customer's recipients and surrender documents.
3. The customer shall be entitled to the processing and combination of the goods within the scope of his proper business operations. To secure the retention of title the customer herewith transfers joint ownership of the common item originating from processing or combination to RATIONAL. In case delivered goods are processed or connected with other goods and RATIONAL lost its property by law, the customer shall indemnify and hold harmless RATIONAL and therefor compensate RATIONAL. The compensation shall be calculated based on the value of the goods at the time of delivery.
4. The customer may not pledge secured goods, nor use them as security. The customer shall notify RATIONAL immediately if the secured goods are seized by third parties. The customer shall be obliged to treat the secured goods with care, insure them against theft, damage, destruction and accidental loss (in particular fire and water), and to provide evidence of this on request.
5. Where the value of all RATIONAL's security rights exceeds the amount of all secured claims by at least 10%, we shall release the corresponding part of the secured rights. We shall also be entitled to enforce all RATIONAL's rights arising under the aforementioned retention of title, including the recovery of ceded claims, as soon as the customer is in default of payment.
6. If the Customer defaults on a payment due date, RATIONAL shall be entitled to ask for dissolution of the contract and to re-enter the goods in its inventory after issuing a dunning notice. In the event it is not possible to re-enter the goods in RATIONAL's inventory due to the Customers' responsibility RATIONAL is entitled to claim compensation. The Customer herewith agrees to allow RATIONAL to enter its premises without delay during normal business hours for the purpose of repossessing the goods
7. RATIONAL shall be entitled to withdraw from the Agreement if the Customer acts contrary to the Agreement, in particular by defaulting payment. For returning goods as a result of cancellation or withdrawal, RATIONAL shall only be obligated to issue credit in the amount of the invoice value with a deduction of decreased value determined by equitable discretion as well as the return and disassembly costs, however at least over 30% of the invoice value.

RATIONAL ensures higher credit if the Customer proves a higher recoverability of the value of the repossessed goods.

VI. Prices and payment

1. RATIONAL's prices are ex works (plus applicable statutory value-added tax).
2. Amendments made after RATIONAL's order confirmation at the request of the customer shall be invoiced separately.
3. Payment shall be made exclusively to RATIONAL or to the bank account specified in the invoice. Payment instructions, cheques and in particular bills of exchange shall be accepted only by special agreement or on account of payment, not as performance of payment. Recovery costs, and bill of exchange and discount charges shall be borne by the buyer. Renegotiation and prolongations shall not be deemed to be performance. The buyer's payment obligation shall not be affected by a request for reduction, by the arrears of other parts of the sales contract or by counterclaims. All withholding and set-off rights against RATIONAL's payment claim shall be excluded.
4. In case the Parties agreed on payment of instalments expressly in writing, and the customer does not pay one of the instalments of the payment agreed upon, RATIONAL may, after notifying the customer, ask for dissolution with compensation

In the event the customer is in delay with the payment, RATIONAL reserves the right to claim interests subject to the applicable law, but at least 12%.

5. RATIONAL reserves the right to call for immediate prepayment of the agreed selling price for first orders from new customers, as well as if the buyer is not sufficiently creditworthy, or we learn of this subsequently. If such a claim is not met by the buyer immediately, we can withdraw from the purchase contract without giving rise to any liability for damages.
6. In the event the customer is in financial difficulties at the time the goods were ordered or at a later stage the customer becomes aware of the fact that he is not able to meet its financial obligations towards RATIONAL, he immediately shall inform RATIONAL about these circumstances. RATIONAL reserves the right to terminate the contract after having notified the customer within an appropriate period:

In this case RATIONAL reserves the right to carry out further orders under the condition that the customer has settled the correspondent payment in advance. In the event the customer does not settle the payment in advance RATIONAL is entitled to withdraw from the contractual relationship with immediate effect:

The same applies for failure to comply with the terms of Payment, even if failure to do so concerns other orders from the mutual business relationship.

7. In the event of non-performance by the customer, RATIONAL shall be entitled to demand compensation for damaged caused by the non-performance.
8. The Customer shall only be entitled to off-set claims if the Customer's counterclaims are undisputed or declared legally binding by judgement. The Customer may exercise the right of retention if the Customer's counterclaim is based on the same contractual relationship.

VII. Warranty and damage

1. The customer shall be responsible for the accuracy and completeness of the specifications, dimensions and other details supplied to RATIONAL for performance of the order. Errors in this respect on the part of the customer shall not justify deficiencies in RATIONAL's performance.
2. In the event of a deficiency, the customer must inform RATIONAL immediately in writing.

If it becomes apparent after delivery of the goods sold that the goods received differ from those agreed upon in quantity or nature, or if there is a flaw in them, the customer shall inform RATIONAL of the disparity or flaw within 15 days of the date of actual delivery to him of the goods sold.

However, if the flaw is concealed such that it is not discovered by normal examination he must notify RATIONAL of the flaw immediately upon its discovery. If the customer does not inform RATIONAL of the disparity or defect or does not file a claim within the terms stated by the law, his claim shall not be heard where it is denied and where there is no lawful justification, unless the customer proves deception on the part of RATIONAL.

or negligent handling, excessive demands, unsuitable equipment, defective construction work, an unsuitable site or as a result of external influences which are not assumed under the contract, and

in the case of software errors which cannot be reproduced. If the customer or third parties undertake inappropriate modifications or maintenance work, claims for deficiencies shall be excluded in respect of these and of consequences arising therefrom.

4. RATIONAL shall rectify justifiably asserted deficiencies in their performance by reworking or by making a replacement delivery, at their choice. The Customer shall grant RATIONAL a reasonable time and opportunity to undertake performance of contract and shall not charge for doing so.

5. In the event that defects are to be resolved, RATIONAL agrees to bear all expenses incurred by the resolution of the defect, particularly transportation, freight, labor and material costs, as long as such costs are not increased by the fact that the goods had been brought to another location other than the place of performance, unless the transport complies with designated use.

6. If the warranty to be performed by RATIONAL is abortive within an additional period reasonably set by the customer, the customer can demand a reasonable reduction in the consideration or withdraw from the contract.

VIII. Liability for Compensation of Damages and Expenses

1. RATIONAL shall be liable without limitation for any damages resulting from deliberate or grossly negligent breach of duty as well as culpable injury to life, body or health unless governed otherwise by applicable laws.

2. Notwithstanding the afore said in case of gross negligence on the part of non-managerial employees, RATIONAL's liability is limited to property damage deemed typical within the scope of this Agreement and which can be reasonably foreseen.

3. In case of minor negligence, RATIONAL shall only be liable f property damage only in the event of violation of significant contractual obligations. In this regard too, the liability of RATIONAL shall be limited to property damage deemed typical and foreseeable within the scope of this Agreement.

4. Any other liability for damages other than those stated above is void, without taking the legal nature of the submitted claim into consideration.

5. A preclusive time limit of 24 months applies to the limitation of all claims that are not subject to the statutory limitation due to a fault in the goods. The time limit starts from the point of recognition of the damage.

X. Right of Withdrawal

RATIONAL can withdraw from the Agreement either in part of in full by written declaration, in the event of the Customer's inability to pay, over-indebtedness of the Client, discontinuation of payment by the Client, delay of two rates in case of an installment plan or if the customer has filed for insolvency. RATIONAL shall be entitled to exercise its right to withdraw from the Agreement until the opening of insolvency procedures for the Client's assets. The Customer herewith agrees to provide RATIONAL access to its place of business during normal business hours and repossess the goods.

XI. Cooperation in product surveillance

1. In order to inform the respective owners of the products in the event of a possible product risk and to initiate security measures, traceability of the products is necessary.

2. Accordingly, in the event of possible product risks, the customer is obliged to support RATIONAL in informing the owners of a product, as long as the customer has passed the product on to the respective owner.

3. In order to comply with this obligation, the customer shall keep the following information for all products delivered to and passed on to the respective owner by him:

- serial number of the delivered product
- owner and installation site
- technical modifications (e.g. change of gas-type regarding gas units)

4. In the event of a possible product risk, the customer is obliged to pass on the information provided by RATIONAL to the customer regarding the product risk to the respective owners of the products passed on by the customer, at the expense of RATIONAL.

XII. Export Restrictions

The delivery and/or service described in the order confirmation may be subject to export control regulations. This means each order applies subject to the fact that the delivery/service is not prohibited under these regulations and that approvals, authorizations or permissions are given which RATIONAL requires in order to fulfill the contract. The Customer assures to always be compliant with the above mentioned export control regulations.

XIII. Place of Performance, Place of Jurisdiction and Applicable Law

1. Unless otherwise stated in the order confirmation, RATIONAL Kitchen & Catering Equipment Trading FZCO is the place of performance.

2. This Agreement shall be governed by the Laws of Dubai.

3. In the event of a dispute arising out of or relating to this contract, including any question regarding its existence, validity or termination, the parties shall first seek settlement of that dispute by mediation .

If the dispute is not settled by mediation within 15 days of the commencement of the mediation, or such further period as the parties shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the Dubai International Arbitration Centre, which Rules are deemed to be incorporated by reference into this clause. The language to be used in the mediation and in the arbitration shall be English.

XIV. Concluding provisions Severability Clause

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the Parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties herein set forth.

Stamp, Date and Signature