

General Terms and Conditions

Section 1 General - Scope

Our deliveries, services and offers are exclusively made on the basis of these sales conditions. These Terms and Conditions shall thus apply to all future business relations as well, even if they are not explicitly agreed again. At the latest when delivery is taken of the goods or deliverables, the Terms and Conditions shall be deemed accepted. We hereby object to any counter confirmations by the ordering party taking reference to its general or purchasing terms and conditions.

Our Terms and Conditions shall only apply vis-à-vis entrepreneurs (*Unternehmer*) as defined in subsection 1 of Section 310 of the German Civil Code (*BGB*).

Section 2 Offers, Offer Documents, Revocation

- (1) Our offers are non-binding unless agreed otherwise.
- (2) If the order qualifies as an offer pursuant to Section 145 of the German Civil Code (*BGB*), then we can accept it within two weeks. Declarations of acceptance must be confirmed by us in writing or by written telecommunication to be legally effective.
- (3) The ordering party may not revoke orders unilaterally, even if they have been made by telephone, by telefax or via Internet. This shall only be possible with our consent. In this case, a handling fee will be charged the amount of which will depend on the price list as amended from time to time.
- (4) We reserve title to and copyright in pictures, drawings, calculations and other documents. The ordering party requires our explicit prior approval in writing before forwarding them to third parties.
- (5) Drawings, pictures, measures, weights or other specifications shall only be binding if this has been explicitly agreed in writing.

Section 3 Acquisition only for Commercial Sale to Private End Consumers / Prohibition of Transfer and Resale to other Commercial Vendors

The ordering party hereby assures that it will acquire the goods that we supply for the sole purpose of selling them itself on to private end consumers. The ordering party must not resell the goods obtained from us to other commercial vendors or transfer them for any other commercial reasons without our prior written approval.

Section 4 Prices – Terms of Payment

- (1) All prices are in euros or in the currency valid in the relevant sales territory exclusive of the statutory value added tax. All prices given in the price list, the catalogue or on our website are made errors and omissions excepted. Prices are subject to alteration without notice.
- (2) Unless the order confirmation / invoice provides otherwise, the purchase price shall fall due for payment net (without deduction) within 30 days after the invoice date. Payments must be made by bank transfer, pre-authorized debit or cash. Cheques will only be accepted upon prior agreement. The bank charges incurred, including, but not limited to, fees in the event of a debit entry not effected by the bank, will be invoiced to the customer. Bills of exchange are not accepted.
- (3) For the rest, the legal provisions shall apply in the event of the ordering party's default of payment. This means, inter alia, that in the event of default of payment, interest will be charged in the amount of 9 percentage points above the basic rate of interest. Payment will not be deemed rendered until it is credited to our bank account or the amount is handed over in cash.
- (4) Unless otherwise expressly agreed, the ordering party is entitled to deduct an early payment discount of 5 % for payments within 3 days from the invoice date or if an authorisation for SEPA Business to Business Direct Debit is granted. For payments made between the 4th and the 10th day after the invoice date, an early payment discount of 3 % is admissible. From the 11th day after the invoice date, the invoice must be settled net.
The ordering party shall only be entitled to deduct the early payment discount if any and all previous invoices have also been settled in full.
- (5) The ordering party shall only be entitled to set-off if its counterclaims have been determined by final court judgment, are undisputed or recognized by us and arise from the same contractual relation.

Section 5 Delivery Period – Passing of Risk

- (1) Delivery dates or delivery periods must be made in writing.
Stated delivery periods are non-binding or are not guaranteed unless written confirmation explicitly guarantees the delivery period. Transactions for delivery by a fixed date will not be concluded. In the event of a delay in delivery, the ordering party is obliged for the time being to set an appropriate additional time limit for the delivery.
Prior to expiry of the additional time limit, claims by the ordering party due to late delivery shall be excluded.
- (2) The proper performance of the ordering party's obligation in good time, including, but not limited to, its correct and full placing of the order and the settlement of any due invoices from previous orders within the time limit is a pre-condition of the performance of our obligation to deliver.
The defence of non-performance of the contract remains reserved.

- (3) If the ordering party delays or refuses acceptance, written assertion of our willingness to deliver shall suffice to constitute default in acceptance.
- (4) In this case, we are entitled to claim compensation for the loss incurred by us, including any additional expenses as the case may be. Further claims shall remain reserved.
- (5) Upon default in acceptance, the risk of accidental destruction or accidental deterioration of the purchased item shall pass to the ordering party. For the rest, the risk shall pass to the ordering party no later than upon handover of the goods to the shipping party, and this shall also apply if partial deliveries are made or if we have taken on other services, for instance, if we assume the shipping costs.
- (6) In the event of default in delivery, we shall be liable pursuant to the statutory provisions, unless such delayed delivery is based on an intentional or grossly negligent breach of contract for which we are responsible. Unless an intentional or grossly negligent breach of contract is given, liability for damages is excluded.

For the rest, we shall be liable pursuant to the statutory provisions provided that we culpably infringe a fundamental contractual obligation; in this case, the liability for damages shall be limited to compensation for the foreseeable, typical occurrence of loss and damage.

For the rest, in the event of default in delivery, our liability shall be limited to 15 % of the value of the delivery.

- (7) We shall not be held responsible for delays in delivery and performance due to force majeure and due to events making the delivery not merely temporarily very difficult or impossible – this includes, but is not limited to, strike, lockout, official orders etc. even if they relate to our suppliers or their sub-suppliers – , even in the case of bindingly agreed time limits and dates. They entitle us to postpone the delivery or rendering of service by the duration of the hindrance and an additional reasonable start period or fully or partially to revoke the contract on the grounds of the part not yet performed.

If the hindrance lasts more than three months, then the ordering party has the right, after setting a reasonable additional time limit, to revoke the contract for the part not yet performed. If the delivery period is extended or if we are released from our obligation, then the ordering party cannot derive any claims for damages therefrom. We may only rely to the stated circumstances if we inform the ordering party immediately.

Section 6 Delivery - Shipment Costs

- (1) Unless the price list as amended from time to time provides otherwise, the parties agree the delivery to be shipped “CIP – named place of destination – Incoterms ® 2010“. The transport and packaging costs shall be charged separately. For deliveries to third party countries, “DAP — named place of destination - Incoterms ® 2010” shall be agreed.
- (2) Transport packaging and any other packaging pursuant to the German statutory instrument on packaging (*Verpackungsverordnung*) shall not be taken back. The ordering party is obliged to ensure disposal of the packaging at its own expense.
- (3) For an order value less than 50 €, we have the right to charge a reduced volume surcharge of 5 €.
- (4) We may effect partial deliveries unless this is excluded in writing by the ordering party.

Section 7 Return Shipments

- (1) We will not accept return shipments of goods unless agreed in advance.
- (2) The ordering party may return goods only in their original packaging and in a flawless state.
- (3) If goods are taken back as agreed, then handling fees for examination and re-warehousing and any potential time-related depreciation in value shall be deducted.

Section 8 Liability for Defects

- (1) It is a precondition of the ordering party's claims for defects that the ordering party immediately examines the goods pursuant to Section 377 of the German Commercial Code (*HGB*) and gives notice (*Rüge*) of any potential defects immediately. The delivered goods shall be deemed free of defect if obvious defects have not been reported within 10 working days at the latest, and other defects have not been reported within 6 months at the latest.

In the event that the delivered goods are changed by the ordering party or by third parties, the statutory warranty (*Gewährleistung*) is excluded.

- (2) If the purchased item has a defect, then we have, at our discretion, the right to cure (*Nacherfüllung*) by remedying the defect or to deliver a new item free of defect. In these cases, the ordering party is not entitled to claim compensation for its expenses, such as including, but not limited to, the cost of transportation, infrastructure, labour and material.
- (3) Variations in quality, colour, volume, equipment or design that are customary to the trade or minor and technically unavoidable shall not constitute a defect of the goods.
- (4) If the cure (*Nacherfüllung*) fails, then the ordering party has the right, at its discretion, to request revocation or reduction of the purchase price.

- (5) We shall be liable pursuant to the statutory provisions provided that the ordering party asserts claims for damages that are based on intent or gross negligence. Unless an intentional or grossly negligent breach of contract is given, liability for damages is excluded. We shall be liable pursuant to the statutory provisions provided that we culpably infringe a fundamental contractual obligation; in this case, however, the liability for damages shall be limited to compensation for loss and damage that occurs foreseeably and typically.
- (6) Liability for culpable injury to life, limb, or health shall remain unaffected; this shall also apply to mandatory liability under the German Product Liability Act (*Produkthaftungsgesetz*).
- (7) Unless laid down above otherwise, liability shall be excluded.
- (8) Damage that is attributable to normal wear and tear, overloading, abusive use, neglect of care and non-observance of the instructions of use shall be excluded from claims under warranty.
- (9) The limitation period in relation to claims for defects shall be 12 months, starting at the time of the passing of risk.
- (10) In the event of delivery recourse (*Lieferregress*) pursuant to Sections 478 and 479 of the German Civil Code (*BGB*), the limitation period remains unaffected.
- (11) We reserve the right to make any changes in design; however, we are not obliged to make such changes as well in products that have already been delivered.

Section 9 Total Liability

- (1) Any further liability for damages beyond the provisions under section 8 is – regardless of the legal nature of the asserted claim – excluded. This shall apply to inter alia claims for damages arising from culpa in contrahendo (*Verschulden bei Vertragsabschluss*), due to other breaches of duty or due to claims in tort for the compensation for material damage according to Section 823 of the German Civil Code (*BGB*).
- (2) If we process textiles belonging to the ordering party, liability for damage to or perishing of the textile without fault shall be limited to the amount of 100.00 € per metre of the textile.
If the ordering party provides us with more valuable textile for processing, then it does so at its own risk, unless the parties have agreed on the processing of the more valuable textile and the allocation of risk in writing beforehand.
- (3) Insofar as our liability for damages is excluded or limited, such exclusion or limitation shall also apply to the personal liability for damages of our salaried and wage earning employees, staff members, agents (*Handelsvertreter*) and persons used to fulfil our obligations (*Erfüllungsgehilfen*).

Section 10 Retention of Title

- (1) We will retain title to the purchased item until all claims (including any and all outstanding balance claims from a current account) we have or will have against the ordering party on whatever legal ground now or in the future. If the ordering party fails to act in conformity with the contract, including, but not limited to, being in default in payment, then we have the right to take the purchased item back. Should we take back the purchased item this shall not constitute revocation of the contract, unless we have explicitly declared such revocation. Seizure of the purchased item by us is always revocation of the contract. If we take back the purchased item for exploitation, we have the authority to set-off the proceeds from the exploitation against the ordering party's liabilities after deduction of appropriate exploitation costs.
- (2) The ordering party must inform us about any seizure or other intervention by third parties in writing immediately.
- (3) Processing or transformation shall always be effected for us as manufacturer, but without putting us under any obligation. If the (co-) ownership of the ordering party becomes extinct due to a combination with other things (*Verbindung*), the parties already agree hereby that the (co-)ownership of the ordering party in the unitary thing shall pass to us regarding their share in the value (invoice value). The ordering party shall store the (co-)owned goods for us free of charge. Goods in which we are entitled to (co-)ownership are hereinafter referred to as Reserved Property.
- (4) The ordering party has the right to resell the Reserved Property in the proper course of business; however, it hereby already assigns to us all receivables accruing to it from the resale against purchasers or third parties in the amount of the total invoice amount (including VAT) of our receivables; this shall apply regardless of whether the Reserved Property has been resold without or after any processing. The ordering party shall remain authorized to collect the receivables even after the assignment. Our authorization to collect the receivables ourselves shall remain unaffected thereof. However, we bind ourselves not to collect the receivables as long as the ordering party fulfils its payment obligations from the proceeds collected, is not in default of payment and, in particular, has not filed any petition for the opening of bankruptcy or composition or insolvency proceedings, and payments have not been suspended. If this, however, is the case, then we may demand that the ordering party disclose the assigned receivables and the associated debtors to us, give us any and all details required for collection of the receivables, hand over the associated documents and inform the debtors (third parties) about the assignment.

- (5) We undertake to release the securities we are entitled to upon the ordering party's request to the extent that the realizable value of our securities exceeds the receivables to be secured by more than 10 %; selection of the securities to be released shall be incumbent on us.

Section 11 Final Provisions

- (1) Provided that the ordering party is a merchant (*Kaufmann*), the place of jurisdiction shall be our registered office; however, we also have the right to sue the ordering party at the court competent for that party's place of residence.
- (2) Any agreements diverging from the conditions above or additional agreements must be made in writing to be effective. This shall also apply to a waiver of the requirement for the written form.
- (3) If any provision in these Terms and Conditions or a provision within the scope of any other agreements is or becomes ineffective, then the effectiveness of all the remaining provisions or agreements shall not be affected.
- (4) The law of the Federal Republic of Germany shall apply; application of the UN Convention on the International Sale of Goods shall be excluded.
- (5) The place of performance shall be our registered office, unless provided otherwise in the order confirmation/invoice.