

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY OF JÖRG LEDERER GMBH

§ 1 SCOPE FORM

- 1.) Our deliveries, services and offers shall be made exclusively on the basis of these General Terms and Conditions of Sale and Delivery ("GCSD").
- 2.) Our GCSD shall apply exclusively. Deviating, conflicting or supplementary General Terms and Conditions of the Buyer shall only become part of the contract if and to the extent that we have expressly consented to their application. This requirement of consent shall apply in any case, for example even if we carry out the delivery to the Buyer without reservation in the knowledge of the Buyer's GCSD.
- 3.) Unless otherwise agreed, the GCSD shall apply in the version valid at the time of the Buyer's order or in any case in the version last notified to him in text form as a framework agreement also for similar future contracts without our having to refer to them again in each individual case. The GCSD shall be deemed accepted at the latest upon acceptance of the goods or services.
- 4.) Individual agreements made with the Buyer in individual cases (including collateral agreements, supplements and amendments) shall in any case take precedence over these GCSD. Subject to proof to the contrary, a written contract or our written confirmation shall be authoritative for the content of such agreements. Our sales employees are not authorized to make verbal collateral agreements or to give verbal assurances that go beyond the content of the written contract.
- 5.) Legally relevant declarations and notifications by the Buyer with regard to the contract (e.g. setting of deadlines, notification of defects, withdrawal or reduction) shall be made in writing, i.e. in written or text form (e.g. letter, e-mail, fax). Legal formal requirements and further proof, in particular in the event of doubts about the legitimacy of the person making the declaration, shall remain unaffected.

§ 2 CONCLUSION OF CONTRACT

- 1.) A contract is concluded - in the absence of a special agreement - with our written order confirmation.
- 2.) Declarations of acceptance and all orders require our written confirmation to be legally effective.
- 3.) Our offers are subject to change and non-binding. This shall also apply if we have provided the Buyer with catalogs, technical documentation, other product descriptions or documents - also in electronic form - to which we reserve ownership rights and copyrights.
- 4.) The order of the goods by the Buyer shall be deemed to be a binding offer of contract. Unless otherwise stated in the order, we shall be entitled to accept this contractual offer within fourteen days of its receipt by us.
- 5.) Declarations of acceptance and all orders require our written confirmation to be legally effective.

§ 3 CONTENT OF THE CONTRACT

- 1.) The delivery of the goods is made on specific dates (working day or a specific calendar week) and is specified by us when accepting the order. All sales are concluded only for certain quantities, items, qualities and fixed prices. Both parties are bound by this.
- 2.) Commission business is not transacted.

§ 4 PRICES AND TERMS OF PAYMENT

- 1.) Unless otherwise agreed in individual cases, our respective prices agreed at the time of conclusion of the contract shall apply, ex works including packaging (product packaging) at the factory, but excluding shipping packaging and plus statutory VAT.
- 2.) The invoice is issued on the day of delivery or provision of the goods.
- 3.) Unless otherwise agreed in the contract, the purchase price is due and payable within 10 days of invoicing and delivery of the goods. However, we are entitled at any time, also within the framework of an ongoing business relationship, to carry out a delivery in whole or in part only against advance payment. We declare a corresponding reservation at the latest with the order confirmation. Cash discount will not be granted.
- 4.) Upon expiry of the aforementioned payment deadline, the Buyer shall be in default. During the period of default, interest shall be charged on the purchase price at the applicable statutory default interest rate. We reserve the right to assert further damage caused by default. With respect to merchants, our claim to the commercial due date interest rate (§ 353 HGB) shall remain unaffected.
- 5.) Prior to full payment of due invoice amounts including interest, we shall not be obligated to make any further delivery under any contract to the defaulting purchaser. We reserve the right to claim damages for default.
- 6.) The purchaser shall only be entitled to rights of set-off or retention insofar as his claim has been legally established or is undisputed. In the event of defects in the delivery, the Buyer's counter rights shall remain unaffected.
- 7.) Payments shall always be used to settle the oldest debt items due plus the interest on arrears accrued thereon.
- 8.) If, after conclusion of the contract, it becomes apparent that our claim to the purchase price is jeopardized by the Buyer's inability to pay, we shall be entitled to refuse performance in accordance with the statutory provisions and - if necessary after setting a deadline for withdrawal (§ 321 BGB), we may declare withdrawal immediately, the statutory provisions on the dispensability of setting a deadline shall remain unaffected.

§ 5 METHOD OF PAYMENT

Offsetting against and repayment of due invoice amounts shall only be permitted in the case of undisputed or legally established claims. This shall also apply in the event of suspension of payments by us. Other deductions (e.g. postage) are inadmissible.

§ 6 DELIVERIES, SCHEDULING, DEADLINES FOR DELIVERIES, DELAY

- 1.) Delivery of the goods shall be ex domestic works. In the absence of a special agreement, the buyer shall bear the shipping costs. The buyer can determine the carrier. A shipping notification can be agreed.
- 2.) Packing cost for special packing will be borne by the buyer.
- 3.) Compliance with agreed deadlines for deliveries shall be subject to the timely receipt of all documents, releases to be provided by the Purchaser as well as compliance with the agreed terms of payment and other obligations by the Purchaser. If these prerequisites are not fulfilled in time, the deadlines shall be extended accordingly. This shall not apply if we are responsible for the delay.
- 4.) As a rule, orders shall be divided by the Purchaser with the order, at the latest after receipt of the written order confirmation. If in individual cases orders are concluded without division (contracts), then, unless otherwise agreed, the deliveries shall be accepted in approximately equal quantities, distributed over the delivery period.
- 5.) At our request, the purchaser must carry out the classification within three weeks of our written request. If this does not happen, we are entitled either to withdraw from the contract or to carry out the classification ourselves in the above sense.
- 6.) If the purchaser gives a classification which deviates substantially from his previous references with regard to the delivery date and defects, the obligation to deliver shall not exist for us until we confirm the classification in writing. The same applies in the event of changes to delivery dates and quantities, which also require confirmation by us.
- 7.) Compliance with the delivery deadline is subject to correct and timely self-supply.
- 8.) The delivery period shall be deemed to have been complied with if the delivery item has left our works or notification of readiness for dispatch has been given by the time the delivery period expires. Insofar as acceptance is to take place, the acceptance date shall be decisive - except in the case of justified refusal of acceptance - alternatively the notification of readiness for acceptance.
- 9.) If we are unable to meet binding delivery deadlines for reasons for which we are not responsible (non-availability of the service), we shall inform the Buyer of this delay and at the same time notify the Buyer of the expected new delivery deadline. If the service is also not available within the new delivery period, we shall be entitled to withdraw from the contract in whole or in part; we shall immediately refund any consideration already paid by the Buyer. A case of non-availability of the performance in this sense shall be deemed to be in particular the non-timely self-delivery by our supplier if we have concluded a congruent hedging transaction, neither we nor our supplier are at fault or we are not obliged to procure in the individual case.
- 10.) The occurrence of our delay in delivery shall be determined in accordance with the statutory provisions. In any case, however, a reminder by the buyer is required.

§ 7 SUBSEQUENT DELIVERY PERIOD

- 1.) After expiry of the delivery period, a grace period of 12 days shall be set in motion without explanation. After expiry of the grace period, the withdrawal from the contract shall be deemed to have taken place under exclusion of claims for damages. Withdrawal from the contract in accordance with paragraph 1 sentence 2 shall not occur if the purchaser declares to us during the subsequent delivery period that he insists on performance of the contract. However, we shall be released from the obligation to deliver if the purchaser does not state whether it insists on performance of the contract in response to our inquiry within the subsequent delivery period.
- 2.) Fixed transactions are not made. However, if the parties expressly agree in an individual case that the goods are intended for a specific action, a fixed delivery date with a grace period may be agreed. If this delivery date is exceeded, the Buyer may demand reimbursement of special expenses for the ordered goods, but not more than the purchase price of the ordered goods. Further claims are excluded. The buyer can only reduce the purchase price due to the defectiveness of promotional goods.

§ 8 TRANSFER OF RISK, ACCEPTANCE

- 1.) The risk of accidental loss and accidental deterioration of the goods shall pass to the Buyer when the delivery item has left our factory, even if partial deliveries are made or we have assumed other services, e.g. shipping costs or delivery and installation.
- 2.) Insofar as acceptance is to take place, this shall be decisive for the transfer of risk. It must be carried out without delay on the acceptance date, alternatively after the Buyer's notification of readiness for acceptance.
- 3.) The purchaser may not refuse acceptance in the event of a non-substantial defect. The handover or acceptance shall be deemed equivalent if the Buyer is in default of acceptance. If acceptance has not taken place in time, the other contracting party may withdraw from the contract. However, it must announce this in writing at least two weeks before exercising the right of withdrawal.
- 4.) If shipment or acceptance is delayed or does not take place as a result of circumstances for which we are not responsible, the risk shall pass to the buyer on the day of notification of readiness for shipment or acceptance. We are obligated to take out the insurance requested by the buyer at the buyer's expense.

§ 9 RETENTION OF TITLE

- 1.) The goods shall remain our property until full payment of all claims arising from deliveries of goods from the entire business relationship, including ancillary claims, claims for damages and encashment of checks and bills of exchange. The retention of title shall remain in force even if individual claims of ours are included in a current account and the balance is struck and acknowledged.
- 2.) The purchaser shall store the goods subject to retention of title separately or clearly mark them. Resale, consumption, processing, combination or mixing may only take place in the regular course of business as long as the buyer meets his payment obligations. Pledges and transfers of ownership by way of security are prohibited. The buyer must inform us immediately in writing if an application is made to open insolvency proceedings or if third parties (e.g. seizures) have access to the goods belonging to us.
- 3.) If the goods subject to retention of title are combined, mixed or processed by the buyer to form a new movable item, this shall be done on our behalf without any obligation on our part arising therefrom. Through the combination, mixing or processing, the purchaser does not acquire ownership of the new item in accordance with § 947 ff BGB (German Civil Code). In the event of combination, mixing or processing of items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the invoice value of our reserved goods to the total value.

- 4.) The purchaser is only entitled to resell or process the goods subject to the following conditions:
 - 4a.) The Buyer may only sell or process the reserved goods in the ordinary course of business and provided that its financial circumstances do not deteriorate adversely.
 - 4b.) The Buyer hereby assigns to us by way of security all claims (including all ancillary rights) against third parties arising from the resale of the goods or the product in total or in the amount of any co-ownership share pursuant to the preceding paragraph. We accept the assignment. The obligations of the buyer stated in paragraph 4a.) shall also apply with regard to the assigned claims.
 - 4c.) If the goods have been combined, mixed or processed and we have acquired co-ownership in the amount of our invoice value, we shall be entitled to the purchase price claim in proportion to the value of our rights in the goods.
 - 4d.) If the purchaser has sold the claim within the scope of genuine factoring, the purchaser shall assign to us the claim against the factor taking its place and shall forward its sales proceeds to us in proportion to the value of our rights in the goods. The buyer is obliged to disclose the assignment to the factor if he is more than 10 days overdue with the settlement of an invoice or if his financial circumstances deteriorate significantly. We accept this assignment.
- 5.) The purchaser is authorized to collect the assigned claims as long as he meets his payment obligations. The authorization to collect shall expire in the event of default in payment by the purchaser or if there is a deficiency in the purchaser's ability to pay, or if we withdraw from the contract or can demand the return of the goods on the basis of the retention of title. In this case, we are hereby authorized by the purchaser to inform the customers of the assignment and to collect the claims ourselves. For the assertion of the assigned claims, the buyer must provide us with the necessary information and permit the verification of this information. In particular, the purchaser must hand over to us on request a precise list of the claims to which he is entitled, including the names and addresses of the purchasers, the amount of the individual claims, the invoice date, etc. In such a case, we shall be entitled to assert the claims assigned to us ourselves. In addition, in this case we shall be entitled to revoke the purchaser's authorization to further sell and process the goods subject to retention of title.
- 6.) If the value of the security existing for us exceeds our total claims by more than 10%, we shall be obligated to release securities of our choice to this extent at the Buyer's request.
- 7.) In the case of a specific contract with the Buyer, in particular in case of non-payment of the purchase price due, we shall be entitled to withdraw from the contract in accordance with the statutory provisions and to demand surrender of the goods on the basis of the reservation of title. The demand for return does not at the same time include the declaration of withdrawal; we are rather entitled to demand only the return of the goods and to reserve the right of withdrawal. If the purchaser does not pay the purchase price due, we may only assert these rights if we have previously set the purchaser a reasonable deadline for payment without success, or if setting such a deadline is dispensable according to the statutory provisions.
- 8.) The purchaser shall store the goods subject to retention of title for us free of charge. He shall insure them against the usual risks such as fire, theft and water to the customary extent. The buyer hereby assigns to us his claims for compensation to which he is entitled against the insurance companies or other parties obliged to pay compensation as a result of damage of the above-mentioned kind in the amount of the invoice value of the goods. We accept the assignment.
- 9.) All claims as well as rights arising from the retention of title to all special forms specified in these terms and conditions shall remain in force until full release from contingent liabilities (check - bill of exchange) which we have entered into in the interest of the purchaser. In the case of sentence 1, the Buyer is in principle permitted to engage in factoring for his outstanding accounts. However, he has to inform us before entering into contingent liabilities.

§ 10 NOTICE OF DEFECTS AND CLAIMS FOR DEFECTS

- 1.) The statutory provisions shall apply to the Buyer's rights in the event of material defects and defects of title (including wrong delivery and short delivery as well as improper assembly or defective assembly instructions), unless otherwise stipulated below. In all cases, the special statutory provisions shall remain unaffected in the case of final delivery of the unprocessed goods to a consumer, even if the consumer has processed them further (supplier recourse pursuant to §§ 478 BGB). Claims from supplier recourse are excluded if the defective goods have been further processed by the buyer or another entrepreneur.
- 2.) The basis of our liability for defects is above all the agreement reached on the quality of the goods. All product descriptions and other technical specifications, drawings and other documents, as well as the information in catalogs or on our Internet homepage) at the time of the conclusion of the contract shall be deemed to be an agreement on the quality of the goods.
- 3.) As a matter of principle, we shall not be liable for defects of which the Buyer is aware at the time of conclusion of the contract or is not aware due to gross negligence (§ 442 BGB). Furthermore, the Buyer's claims for defects presuppose that he has complied with his statutory obligations to inspect and give notice of defects (§§ 377, 381 BGB). In the case of goods intended for further processing, an inspection must in any case be carried out immediately before processing. If a defect becomes apparent upon delivery, inspection or at any later time, we must be notified thereof in writing without delay. In any case, obvious defects shall be notified to us in writing within 6 working days of delivery and defects not apparent on inspection within the same period of time from discovery. If the purchaser fails to carry out the proper inspection and/or to give notice of defects, our liability for the defect not notified in time or not notified properly shall be excluded in accordance with the statutory provisions.
- 4.) If the delivered item is defective, we may initially choose whether to provide subsequent performance by remedying the defect (subsequent improvement) or by delivering an item free of defects (replacement delivery). Our right to refuse subsequent performance under the statutory conditions shall remain unaffected. We shall be entitled to make the subsequent performance contingent on the Buyer paying the purchase price due. However, the purchaser shall be entitled to retain a reasonable part of the purchase price in relation to the defect.
- 5.) We shall bear or reimburse the expenses necessary for the purpose of inspection and subsequent performance in accordance with the statutory provisions if a defect actually exists. Otherwise, we may demand reimbursement from the purchaser of the costs incurred as a result of the unjustified request for rectification of the defect (in particular inspection and transport costs), unless the lack of defectiveness was not apparent to the purchaser.
- 6.) If the supplementary performance has failed, the buyer has the right to reduce the purchase price or to withdraw from the contract. In the case of an insignificant defect, however, there is no right of withdrawal. Compensation for futile expenses cannot be demanded.
- 7.) After cutting or otherwise started processing of the delivered goods, any complaint about open defects is excluded.
- 8.) Customary or minor, technically unavoidable deviations in the quality, color or finish of the yarns supplied may not be objected to.
- 9.) We shall be entitled to a tolerance of 10% per delivery for deliveries up to 5,000 kg and 3% for deliveries of larger yarn quantities for under- or over-deliveries.
- 10.) In the event of notices of defects, payments by the Purchaser may be withheld to an extent which is in reasonable proportion to the damage for which the claim has occurred. The purchaser may withhold payments only if a notice of defect is asserted about whose justification there can be no doubt. If the notice of defect is unjustified, we shall be entitled to demand reimbursement of the expenses incurred by us from the purchaser.
- 11.) Claims of the Purchaser for expenses incurred for the purpose of subsequent performance, in particular transport, travel, labor and material costs, shall be excluded to the extent that expenses are increased because the subject matter of the Supplies has subsequently been brought to another location than the Purchaser's branch office, unless doing so complies with the normal use of the Supplies.
- 12.) Further claims for damages or claims of the Buyer other than those regulated in this § 10 against us and our vicarious agents due to a material defect are excluded subject to the regulation of § 11.
- 13.) For used delivery items, the liability for material defects is excluded as far as legally permissible.

§ 11 OTHER LIABILITY

- 1.) Unless otherwise stipulated in these GCSD including the following provisions, we shall be liable for a breach of contractual and non-contractual obligations in accordance with the statutory provisions.
- 2.) We shall be liable for damages - irrespective of the legal grounds - within the scope of fault-based liability in the event of intent and gross negligence. In the case of simple negligence, we shall be liable, subject to statutory limitations of liability (e.g. care in own affairs; insignificant breach of duty), only
 - a) for damages resulting from injury to life, body or health,
 - b) for damages resulting from the breach of an essential contractual obligation (obligation, the fulfillment of which enables the proper execution of the contract in the first place and on the compliance with which the contractual partner regularly relies and may rely); in this case, however, our liability shall be limited to the compensation of the foreseeable, typically occurring damage.
- 3.) The limitations of liability resulting from para. 2 shall also apply to third parties as well as to breaches of duty by persons (also in their favor) whose fault we are responsible for according to statutory provisions. They shall not apply insofar as a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the Buyer under the Product Liability Act.
- 4.) Due to a breach of duty that does not consist of a defect, the Buyer may only withdraw from or terminate the contract if we are responsible for the breach of duty. A free right of termination of the purchaser (in particular according to §§ 650, 648 BGB) is excluded. In all other respects, the statutory requirements and legal consequences shall apply.

§ 12 LIMITATION

- 1.) Claims for material defects and defects of title shall become statute-barred after 12 months from the transfer of risk. Insofar as acceptance has been agreed, the limitation period shall commence upon acceptance.
- 2.) The above limitation periods of the law on sales shall also apply to contractual and non-contractual claims for damages of the Buyer based on a defect of the goods, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation period in individual cases. Claims for damages of the Buyer pursuant to the Product Liability Act shall become time-barred exclusively in accordance with the statutory limitation periods.

§ 13 FOREIGN MATTER OR FOREIGN FIBER PROBLEM

- 1.) According to the current state of the art, a complete elimination of foreign bodies (foreign fibers) is not possible despite corresponding repeated inspection and cleaning of the cotton or other staple fibers by the supplier.
- 2.) During further processing, the purchaser must therefore take all possible and reasonable precautionary measures (e.g. 100% fabric inspection or pre-bleaching in the case of sensitive colors) to ensure that neither the purchaser nor third parties suffer any consequential damage during further processing.

§ 14 APPLICABLE LAW, PLACE OF JURISDICTION

- 1.) These GCSD shall be governed by the laws of the Federal Republic of Germany, excluding international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.
- 2.) Place of jurisdiction and place of performance for us and buyer is Ulm / Danube. However, we are also entitled to assert our claims at the general place of jurisdiction of the buyer.