

GENERAL TERMS AND CONDITIONS OF PURCHASE OF A&R TEXTIL

1. APPLICABILITY, ORDERS, KEY DEFINITIONS

- 1.1. These General Conditions of Purchase ("**Conditions**") apply to the purchase of (i) any goods and materials, including, without limitation, products, parts or components specifically developed or customized and deliverables resulting from a service ("**Goods**") and (ii) any services ("**Services**") by A&R. "**A&R**" means the legal entity of the A&R Group ordering the Goods or Services from the supplier of such Goods and Services ("**SUPPLIER**").
- 1.2. The Conditions apply to all current and future business relations for the purchase of Goods and/or Services by A&R, even if not explicitly referred to. Standard terms of SUPPLIER shall not apply unless A&R expressly consents thereto in writing. The Conditions also apply where A&R, having knowledge of conflicting or deviating terms of SUPPLIER, accepts the Goods or Services without reservation.
- 1.3. "**Order**" means a request (in whatever form) to SUPPLIER for the supply of Goods or Services, and any drawings, specifications, and other attachments thereto and which is deemed to always include the Conditions. The Conditions supplement the Order and in case of a conflict between the Order and the Conditions, the terms of the Order prevail.
- 1.4. If an Order is not accepted by SUPPLIER within 14 days after receipt or any other period stipulated in the Order ("**Acceptance Period**"), the Order is deemed revoked. Until an Order is accepted by SUPPLIER, A&R is not bound by such Order and may revoke, modify or change the Order at any time.
- 1.5. Any (i) Order accepted without reservation or modification within the Acceptance Period by SUPPLIER, (ii) Order accepted by Supplier with a reservation or modification or received by A&R after the Acceptance Period, but accepted by A&R (in whatever form), or (iii) other agreement between SUPPLIER and A&R which refers to these Conditions, constitutes a "**Contract**". Any specifications for the Goods and/or Services contained in or incorporated in the Contract by reference, or any other specifications agreed in writing between A&R and SUPPLIER from time to time are referred to as "**Specifications**".
- 1.6. If in these Conditions the term "in writing" is used, this shall include communication via e-mail or fax.

2. DELIVERY OF GOODS AND PERFORMANCE OF SERVICES

- 2.1. Time is of the essence for performance of the Contract by SUPPLIER. Without prejudice to any other rights A&R may have under the Contract or any other legal grounds SUPPLIER shall inform A&R in writing without delay if circumstances become apparent which indicate that the agreed time for delivery of Goods or performance of Services will not be met. Where the SUPPLIER fails or must expect to fail to meet any Delivery Date, SUPPLIER will, without prejudice to A&R's other rights and remedies and upon prior consultation with A&R, take whatever action is necessary to avoid or minimize the impact of the delay, including the use of the fastest possible method of delivery of the Goods, overtime work and/or the allocation of

more personnel to the manufacturing/supply of the Goods, all at SUPPLIER's expense.

- 2.2. SUPPLIER shall deliver the Goods and perform the Services during regular business hours (as applicable at the place of delivery/ performance) in accordance with the time schedule in the Contract ("**Delivery Dates**"). If no Delivery Dates have been stated, SUPPLIER shall deliver the Goods and perform the Services as soon as reasonably possible and SUPPLIER shall inform A&R of the date of delivery in writing reasonably in advance. SUPPLIER shall deliver the Goods in accordance with the delivery terms stated in the Contract and if no such terms have been stated, SUPPLIER shall deliver the Goods in accordance with Incoterms 2010 "DDP". The SUPPLIER shall deliver the Goods to the destination specified in the Order or Contract ("**Location of Receipt**").
- 2.3. If SUPPLIER fails to deliver the Goods or fails to perform the Services by the Delivery Dates, or, if no Delivery Dates have been stated, by the time reasonably set by A&R, A&R may, without prejudice to other rights or remedies A&R may have under the Contract or any other legal grounds and without liability to SUPPLIER, rescind the Contract by giving written notice to SUPPLIER. In such a case, A&R may request a refund of the purchase price, if already paid, and claim compensation for all costs, expenses, damages and other losses suffered due to SUPPLIER's failure.
- 2.4. For each delivery of Goods, SUPPLIER is responsible for ensuring continuous compliance with all legislation and regulations applicable to the transportation and delivery of such Goods.
- 2.5. Without prejudice to the agreed Incoterm, A&R may require that SUPPLIER reports the Deliverables and quantities to A&R in good time before the end of the production process so that A&R can determine the type of delivery and the forwarding agent. If applicable, Sea and air freights shall be booked immediately after A&R's instruction, indicating the dates of shipment. The shipping documents (packing list, commercial invoice and bill of lading) shall be sent to A&R immediately upon availability.
- 2.6. Each delivery of Goods must include documents containing the following minimum information and any additional information requested by A&R: order number, description of Goods and name of SUPPLIER, unit of measure specifying volume, quantity or number and delivery point for the Goods.
- 2.7. All Goods must be packaged (i) securely so as to prevent damage, dirt and moisture during loading, transportation and off-loading, (ii) in accordance with the regulations of the carrier used and (iii) in compliance with the applicable laws and regulations and A&R's packaging specifications, if provided to Supplier. Unless A&R otherwise directs, SUPPLIER shall remove or otherwise dispose of the packaging materials at its own expense as soon as practicable following delivery of the Goods.
- 2.8. In addition, SUPPLIER shall:
 - 2.8.1. provide A&R, upon request, with certificates of origin, declarations, documents and data pertaining to trade requirements and, upon request, inform A&R in detail and in writing of any possible export restrictions or approval obligations in the country of origin of the Goods or Services or their destination;

- 2.8.2. furnish full details regarding all immediate and long-term potential hazards or dangers relating to the Goods, including, but not limited to, toxicity, flammability, harmful effect due to inhalation or direct contact and whether due to direct or indirect use thereof;
- 2.8.3. furnish full details relating to the most appropriate safety precautions to be taken in connection with the use and handling of the Goods; and
- 2.8.4. appropriately and prominently label all packages and containers that contain dangerous, toxic or otherwise harmful Goods in order to protect those who handle or are exposed to them.
- 2.9. Partial shipments of Goods or early deliveries may only be made with A&R's prior written approval.
- 2.10. If, for any reason, A&R is unable to accept delivery of the Goods at the time specified in the Contract, SUPPLIER shall, if requested by A&R, store the Goods and maintain them in merchantable condition. Subject to prior written agreement, A&R shall reimburse SUPPLIER for the reasonable costs of such storage.
- 2.11. SUPPLIER shall carry out Services at the agreed locations at the Delivery Dates according to the Specifications and good industry practice and standard. SUPPLIER shall document the performance of Services and provide such documents to A&R upon request or completion of the Services, at the latest together with SUPPLIER's invoice. If a deliverable or a specific result is to be achieved through the Services, the provisions of these Conditions relating to Goods shall apply accordingly.
- 2.12. If SUPPLIER is required to operate on premises owned or operated by or on behalf of A&R, then SUPPLIER shall comply with all A&R's site safety rules and procedures at its own expense. These include, but are not limited to, using appropriate personal protective equipment, attending site induction training, and removing all rubbish, debris, surplus materials and temporary structures, and leaving the site tidy. SUPPLIER bears the risk of loss and damage for all materials used or to be used until completion of the Contract.
- 3. TRANSFER OF RISK AND TITLE**
- 3.1. Unless the parties agree otherwise, the risk of loss and damage passes to A&R at the time of receipt of the Goods at the Location of Receipt. Where an Acceptance Procedure (as defined in section 6.2) is agreed or required, the date of final acceptance by A&R will be determinative for the transfer of risk.
- 3.2. Title to all or the relevant part of the Goods passes to A&R on the earlier of (i) payment for such Goods or part thereof; and (ii) delivery of such Goods at the agreed Location of Receipt. Where title to all or any part of the Goods has passed to A&R but the Goods remain in the possession of SUPPLIER, SUPPLIER shall clearly label the Goods as the property of A&R and store them separately from all other goods.
- 4. PRICE AND PAYMENT**
- 4.1. The price(s) for the Goods and/or Services must be specified in the Contract and, unless agreed otherwise, remain fixed for the term of the Contract.
- 4.2. Unless otherwise stated in the Contract, the price payable for the Goods and/or Services is:
- 4.2.1. exclusive of value added tax ("VAT") or other sales tax; and
- 4.2.2. inclusive of all charges for packaging, packing, carriage, insurance and delivery of the Goods, all travel expenses, food and beverage accommodation and other costs related to the Services and all duties, licenses, permits and taxes (other than VAT or other sales tax) as may be payable for the Goods and/or Services from time to time.
- 4.3. If the Contract states that VAT or other sales tax is payable with respect to any Goods or Services, A&R is only required to pay such tax upon receipt of a valid VAT or other sales tax invoice.
- 4.4. Unless otherwise specified in the Contract, and subject to SUPPLIER complying with its obligations under the Contract, A&R shall pay for the Goods and/or the Services within 30 days following A&R's receipt of SUPPLIER's proper invoice or with a cash discount of 2 %, if payment is made within 14 days. SUPPLIER may not issue the invoice until the relevant Goods have been delivered to A&R or the relevant Services have been completed. Invoices must always include the official order number and comply with any other specifications requested by A&R.
- 4.5. Payment of an invoice by A&R does not constitute acceptance of the Goods and/or Services covered by the invoice and is without prejudice to any and all claims A&R may have against SUPPLIER in connection with the Contract.
- 5. QUALITY REQUIREMENTS**
- 5.1. SUPPLIER shall provide Goods of the highest quality and in accordance with SUPPLIER's Warranties as defined in section 7.3. SUPPLIER shall comply with the applicable statutory provisions and good industry practice and standard and shall develop, manufacture and test the Goods to be delivered so that they are in accordance therewith and with the Contract.
- 5.2. If SUPPLIER becomes aware that the Goods or Services do not comply with quality requirements and SUPPLIER's Warranties as defined in section 7.3 and/or if SUPPLIER has legitimate doubts regarding the Goods' or Services' compliance with such requirements, then SUPPLIER shall promptly notify A&R in writing and shall advise A&R on any further steps to be taken. The same applies if SUPPLIER becomes aware of property rights of third parties which conflict with the unrestricted use of the Goods or Services by A&R. Receipt and handling of such information by A&R is without prejudice to any and all claims A&R may have against SUPPLIER resulting from such non-compliance.
- 5.3. A&R may inspect the Goods or Services at any time prior to delivery or completion of the Goods or Services at the SUPPLIER's premises or at any other location. Inspection by A&R does not relieve SUPPLIER of its responsibility or liability for the Goods and Services and does not imply A&R's acceptance of the Goods or Services. A&R's right of inspection prior to delivery is without prejudice to A&R's right to reject the Goods after delivery.
- 5.4. A&R may call for certificates of raw materials and test certificates for materials and equipment used in the sourcing and manufacture of the Goods. SUPPLIER shall provide such certificates to A&R within five working days after receipt of such request.

6. INSPECTION, TESTING

- 6.1. SUPPLIER shall supply all Goods and Services in accordance with the Contract and the Specifications. A&R may inspect and test the Goods upon or after A&R's receipt of the Goods. A&R is only required to inspect the Goods for variations in identity and quantity and obvious transport damage and (ii) A&R shall notify SUPPLIER of any such discrepancies and damages within 14 days after receipt of the Goods at the Location of Receipt. To fulfil the notification requirement, A&R need only provide SUPPLIER with a brief description of the discrepancy, damage or defect.
- 6.2. If, according to the Contract or under the particular circumstances, A&R is required to test and approve the Goods or Services as to their compliance with the Contract, SUPPLIER shall request that A&R carry out such test and acceptance after the Goods or Services are completed ("**Acceptance Procedure**"). SUPPLIER shall make such request in accordance with the dates stated in the Contract or, if no date is specified, as soon as practicable. A&R may reject the Goods or Services in whole or in part if they are not proven by SUPPLIER to be compliant with the requirements under the Contract and/or any acceptance criteria agreed. If A&R does not accept the Goods or Services in whole or in part, SUPPLIER shall promptly investigate the non-conformity, correct such non-conformity and repeat the Acceptance Procedure. After failure of the second Acceptance Procedure, A&R may at its discretion choose whether to repeat the Acceptance Procedure or assert the remedies set forth in section 8. A&R will not be deemed to have accepted the Goods or Services solely because it is using them in whole or in part due to operational necessities.

7. SUPPLIER WARRANTIES AND OBLIGATIONS

- 7.1. Without prejudice to any warranties under the Contract or any other legal grounds, SUPPLIER warrants that the Goods and any parts or materials used in the manufacture or performance of any work related to the Goods will:
- 7.1.1. be fit for the intended purpose;
- 7.1.2. conform to the Specifications in all respects and, where applicable, to any samples or drawings; in particular, the weights, measures, signs, legends, words, particulars, or descriptions, if any, stamped, printed, or otherwise attached to the Goods or containers (including any required country of origin markings) or referring to the Goods delivered hereunder are true and correct and comply with all statutes, regulations and legislations;
- 7.1.3. be new and unused, of sound materials and workmanship and free from any defects (latent or otherwise);
- 7.1.4. conform to all applicable international and local laws and regulations relation to the design, manufacture, sale, packaging, labelling, safety standards and use of the Goods, which are in force on the date of delivery;
- 7.1.5. be accompanied by all information, warnings, instructions and documentation relevant for the use, storage, operation, consumption, transportation and disposal of such Goods; and
- 7.1.6. unless agreed otherwise, conform to the representations and warranties in SUPPLIER's literature and advertising materials.

- 7.2. In addition to any other warranties A&R may have under the Contract or any other legal grounds, SUPPLIER warrants that all Services will be performed (i) with a degree of high professional skill, sound practices and good judgment normally exercised by recognized professional firms providing services of a similar nature. (ii) in full compliance with all applicable laws and (iii) so as to ensure that the Services completed under the Contract are free from defects in materials and workmanship and are fit for the intended purpose.
- 7.3. Any warranties set forth in this section 7 or existing under the Contract or any other legal grounds ("**SUPPLIER's Warranties**") apply for a period of 36 months after acceptance of the Goods at the Location of Receipt, approval by A&R according to section 6.2, or completion of the Services (whatever occurs later) or any longer period stipulated by the Applicable Law or in the Contract ("**Warranty Period**"). If a Good or Service cannot be used for a certain period of time due to breach of SUPPLIER's Warranty, the Warranty Period extends accordingly.

8. REMEDIES

- 8.1. If the Goods delivered fail to conform with SUPPLIER's Warranties ("**Defective Goods**"), then, without prejudice to other rights or remedies A&R may have under the Contract or any other legal grounds, A&R may, at its option choose one or several of the following remedies:
- 8.1.1. refuse to take delivery;
- 8.1.2. require SUPPLIER to repair or replace the Defective Goods at SUPPLIER's sole cost within any period reasonably specified by A&R, however at the latest within 21 days of receipt of A&R's request;
- 8.1.3. require SUPPLIER to reimburse A&R for all costs, expenses, damages and other losses associated with the repair or replacement, including, without limitation, costs for investigation and analysis of the defect, for installation/de-installation, for the use of its own or external personnel, costs for parts, attorneys' fees or other legal cost, accommodation, travel or transportation costs;
- 8.1.4. claim compensation from SUPPLIER for all costs, expenses, damages and other losses incurred by A&R due to the Defective Goods.
- 8.2. If SUPPLIER fails to remedy its breach of SUPPLIER's Warranties with respect to the Defective Goods within the period according to section 8.1.2, or if SUPPLIER is not able to or rejects the repair or replacement of the Defective Goods, then A&R shall have the rights and remedies under the applicable laws.

9. LIABILITY, INDEMNIFICATION

- 9.1. To the extent that any liability under the Contract or the applicable law requires the fault of Supplier, Supplier shall be held accountable for any fault of any sub-supplier in Supplier's supply chain.
- 9.2. Without prejudice to other rights or remedies A&R may have under the Contract or any other legal grounds law or the Contract, SUPPLIER shall indemnify A&R against any liability, loss, costs (including attorneys' fees or other legal costs, costs for recalls and costs for its own employees), damage or injury in consequence of (i) any Defective Goods and/or Defective Services or (ii) any breach by SUPPLIER or its suppliers or

subcontractors of the Contract (including any late delivery of Goods or performance of the Services).

10. INSURANCE

SUPPLIER shall arrange and maintain, at its own cost, all insurance customary and on terms common in the industry and satisfactory to A&R, in particular a professional, public and product liability insurance. SUPPLIER shall produce evidence of such insurance to A&R upon request. For the avoidance of doubt, the insurance coverage shall not limit in any way SUPPLIER's responsibility and liability for its Goods delivered and Services performed to A&R.

11. INTELLECTUAL PROPERTY, TRADEMARKS CONFIDENTIALITY

- 11.1. Any know-how, confidential information intellectual property rights, including, without limitation, patents, trademarks, service marks, design rights (whether registered or unregistered), copyrights (including any future copyrights) and any application for any of the foregoing, developed by SUPPLIER, or on behalf of SUPPLIER, in connection with (i) a specifically agreed development, (ii) a A&R-specific modification of a product or (iii) a part or the design of a tool ("**New IP Rights**") shall become the property of A&R and is covered by the payment of the price for the Goods and/or Services. SUPPLIER shall take all actions reasonably necessary to secure the assignment of such rights to A&R. Notwithstanding its obligation to assign ownership, SUPPLIER hereby grants to A&R in advance an unconditional, irrevocable, transferable, exclusive and worldwide license in any New IP Rights, either in their original or in any modified form, free of charge. SUPPLIER shall not use any New IP Rights other than for the purposes of the Contract.
- 11.2. If the parties agreed that SUPPLIER may use registered or non-registered trademarks, tradenames, company names, designs or similar markings ("**Trademarks**") of A&R or its customers, SUPPLIER shall comply with A&R instructions and guidelines with respect to such Trademarks and may only use such Trademarks subject to written approval of A&R.
- 11.3. SUPPLIER shall keep confidential all information and documents that A&R makes available to it, or that it otherwise acquires relating to A&R's business, or that it creates or produces, or has created or produced, specifically in connection with the performance of the Contract for A&R. SUPPLIER shall not use or cause to be used such information or documents other than for the purposes of the Contract. Such obligation will continue in force notwithstanding termination or completion of the Contract, however caused, although such provisions do not apply to any information or document in the public domain or coming into the public domain other than through SUPPLIER's violation of its obligations and to such information disclosed to SUPPLIER's subcontractors to the extent necessary for performance of the Contract.
- 11.4. SUPPLIER shall use objects, documents and auxiliary resources of all types that A&R provides to it to carry out the Services or manufacture the Goods, exclusively to perform the Services or manufacture the Goods and shall return such items to A&R without delay after performance of the Services or manufacturing of the Goods or the termination or expiry of the Contract.
- 11.5. SUPPLIER warrants that the sale, possession, resale or use of the Goods and/or the performance of the Services to be supplied do not infringe any third party intellectual property

rights or third party know-how. A&R shall have the remedies as set forth in section 8. In addition to these remedies, SUPPLIER shall indemnify A&R against all payments or loss of royalties or licence fees, and against all costs, losses and expenses suffered by them or for which they may be liable in respect of any breach of this warranty, including attorneys' fees or other legal cost. SUPPLIER will give A&R and the Indemnified Parties all assistance that is reasonably required in defending any such infringement claim.

12. SPARE PARTS

SUPPLIER shall, for a period of at least seven years after discontinuation of production of the Goods, have available compatible spare parts substantially equivalent in terms of function and quality to the parts contained in the Goods, or shall provide equivalent solutions on commercially reasonable conditions for A&R.

13. TOOLS

Any material, software, equipment or tools (i) provided by A&R to SUPPLIER, (ii) purchased by A&R under this Contract or (iii) purchased or used by SUPPLIER in connection with this Contract and paid by A&R ("**Tools**") shall remain the property of A&R and may only be used for the sole purpose of performing SUPPLIER's obligations under this Contract. The ownership of all Tools is transferred to A&R by SUPPLIER on the date of the acquisition of the Tool by SUPPLIER, or in the case of Tools manufactured by SUPPLIER, on the date of the completion of the manufacturing by SUPPLIER. No further action by any party is required to make such transfer effective. SUPPLIER shall mark such Tools directly after they are provided to it or directly after the acquisition by SUPPLIER or the completion as being A&R's property. Upon request SUPPLIER shall prove such marking through photos or otherwise. SUPPLIER shall use the Tools exclusively for the provision of Services to A&R or for the manufacturing of the Goods ordered by A&R. SUPPLIER, at its own expense, shall insure the Tools belonging to A&R at the replacement value on appropriate terms. SUPPLIER shall carry out timely inspection, servicing, maintenance and repair work at its own expense. Upon request of A&R, SUPPLIER shall hand over the Tools to A&R.

14. REFERENCES

SUPPLIER shall not disclose the business relationship between the parties or use the name or the company logo of A&R for any marketing, advertising, references or other similar purposes without A&R's prior written approval. Any such disclosure of A&R's business relation with its customer, customer name or customer logo shall be prohibited.

15. SUBCONTRACTORS

SUPPLIER shall not engage subcontractors without A&R's prior written consent. SUPPLIER shall require its subcontractors to comply with all obligations under this Contract, including secrecy. Notwithstanding any consent given by A&R, SUPPLIER shall remain liable to A&R for any acts or omissions of its subcontractors as if they were its own. No sub-contract shall relieve SUPPLIER from the obligation to provide the Goods or perform the Services or from any liability under the Contract.

16. COMPLIANCE

- 16.1. SUPPLIER and the persons employed by SUPPLIER are generally and for the duration of the business relationship obligated to comply with all laws, regulations and provisions concerning

SUPPLIER and the business relationship with A&R, including (but not limited to) all anti-corruption laws and anti-trust laws.

- 16.2. SUPPLIER, its management and its employees will (i) not promise, hold out the prospect of or grant any unlawful benefits to officials, potential customers or their employees or third parties and (ii) not accept any unlawful benefits from potential customers, their employees or third parties.
- 16.3. SUPPLIER warrants that the Deliverable has not been produced by child labour, prison or forced labour, nor in a manner which is slave-like, harmful to health or exploitative, nor has it been produced in any other way contrary to the general ethical principles, in particular human dignity. SUPPLIER further assures that it does not tolerate discrimination and harassment of its employees and takes countermeasures if necessary.
- 16.4. SUPPLIER shall always ensure a safe working environment, comply with all applicable regulations regarding quality, health and safety and take appropriate account of environmental protection requirements. It will not use any prohibited or unsafe materials or components and will always ensure that waste is disposed of in an environment-friendly and safe manner.
- 16.5. SUPPLIER shall inform A&R immediately in writing of any breach of one of the aforementioned obligations and explain how the breach was remedied and what measures it has taken to ensure that the breach does not recur.

17. GOVERNING LAW AND JURISDICTION

- 17.1. The Contract and any supply of Goods and Services stipulated thereunder shall be governed by the laws of Germany.
- 17.2. Both parties agree to use their best efforts in a good faith attempt to settle as promptly as possible any and all disputes arising from the Contract and any supply of Goods and Services stipulated thereunder; but failing an amicable settlement, the parties agree that all disputes arising out of or in connection with the Contract and any supply of Goods and Services stipulated thereunder shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce without recourse to the ordinary courts of law. The place of arbitration is Ravensburg, Germany and the number of arbitrators shall be three appointed in accordance with the said rules; however, for disputes having a value below 500,000 EUR, the number of arbitrators shall be limited to one. The substantive procedural law of Germany shall apply. The arbitration shall be final and binding upon the Parties. The language of the arbitral proceedings is English. The arbitrators shall be proficient in English. A&R however shall be entitled to apply for injunction proceedings, other interim or preliminary proceedings against SUPPLIER at any ordinary court in the country or jurisdiction in which A&R has its registered seat or any other court of general jurisdiction.

18. GENERAL

- 18.1. Supplier may not set off any claims it may have under the Contract against any claims of A&R or refuse to perform any obligation it may have under the Contract on the grounds that it has a right of retention, unless the rights or claims of Supplier are not disputed by A&R, related to a mutual relationship or have been confirmed by a final decision of a competent court.
- 18.2. If any term or provision of the Contract is void or unenforceable, the remainder of the provisions of the Contract shall remain in full force and effect to the fullest extent

permitted by the applicable law. In place of the invalid or unenforceable provision, or to fill a contractual lacuna, such valid and enforceable provision shall apply which reflects as closely as possible the commercial intention of the parties as regards the invalid, unenforceable or missing provision.