

**GENERAL TERMS AND CONDITIONS
OF A&R TEXTILPRODUKTION GMBH****1. GENERAL**

- 1.1. Sale and delivery are subject to the following General Terms and Conditions ("GTC") of A&R Textilproduktion GmbH ("Supplier"). These GTC apply to all deliveries of goods and materials, including those that have been specially developed or customised for the customer ("Delivery Items"). Any terms and conditions of purchase or other terms and conditions used by the customer are hereby expressly ruled out by the Supplier; these will not become a component of the contract even if the Supplier executes the order without reservation in the knowledge that the customer's terms and conditions of purchase or other terms and conditions contradict or deviate from these GTC.
- 1.2. Unless otherwise agreed, the current version of the Supplier's GTC at the time of the order will also apply as a framework agreement for subsequent contracts with the same customer without the Supplier having to refer to them again.
- 1.3. If the term "in writing" is used in these GTC it also includes communication by email or fax or other agreed forms of electronic communication.

2. OFFER, CONCLUSION OF CONTRACT, RESERVATION OF RIGHTS

- 2.1. The Supplier's offers are always subject to change and non-binding unless they are expressly marked as binding. A contract is only concluded when the Supplier confirms an order in writing or in the form agreed with the customer or carries out the delivery without reservation. The Supplier may revoke, modify or change its offer at any time as long as it has not confirmed the order or performed the service without reservation.
- 2.2. Product descriptions in an offer or in connection with an offer contain only approximate values. The Supplier reserves the right to make deviations (changes) with regard to the execution and design of the ordered Delivery Items, provided that these changes do not result in a significant or unreasonable change to the Delivery Items for the customer or a different quality has been agreed with the customer.
- 2.3. The Supplier reserves all ownership rights, copyrights and property rights to all documents, materials and other items (in particular, cost estimates, offers, drawings, samples, catalogues, price lists, calculations, plans, illustrations, product descriptions and specifications, drafts and other physical and/or electronic documents or information) provided to the customer.
- 2.4. The customer may not make the aforementioned items or their contents, technology and results accessible or communicate them to third parties, or its own employees, who are not involved, nor utilise, reproduce or modify them, unless they are generally known or readily accessible to persons in the circles that normally deal with this type of information.

3. PRICES AND PAYMENT

- 3.1. The prices for the delivery of the Delivery Items apply "ex works" ("EXW", INCOTERMS 2020), plus the applicable statutory value added tax and other taxes, customs duties, levies and charges, unless otherwise agreed. Special costs such as transport, insurance, freight or special packaging costs and other expenses may be invoiced separately to the customer. Partial deliveries made at the request of the customer and accepted by the Supplier may be invoiced separately.
- 3.2. The Supplier is entitled to increase the prices if there are at least four (4) weeks between conclusion of contract/order and delivery of a Delivery Item and if the costs of manufacturing (in particular, for raw materials), packaging and delivery of the Delivery Item have increased, and the Supplier is not responsible for the cost increase. In this case the price increase may not exceed the increase in costs. If the Supplier's manufacturing costs increase due to force majeure or other unforeseeable events (clause 4.2), the parties will negotiate an appropriate price adjustment by mutual agreement in the case of framework agreements or framework orders in order to take these cost increases into account.

- 3.3. The minimum order value is EUR 50.00 (or equivalent value in local currency).
- 3.4. The invoice amount is due immediately.
- 3.5. The customer is only entitled (a) to offset if its counterclaim is either (aa) undisputed, or (bb) has been ruled final and absolute by a court of law, or (cc) where the claim is synallagmatic to the Supplier's claim against which the customer is offsetting its claim; (b) to assert a right of retention if its counterclaim is either (aa) undisputed or (bb) has been ruled final and absolute by a court of law or (cc) if such claim is based on the same contractual relationship as the Supplier's claim against which the customer is asserting the right of retention.

4. DELIVERY DATES, FORCE MAJEURE, DELIVERY FROM OWN SUPPLIERS

- 4.1. Delivery times or dates indicated by the Supplier for delivery of the Delivery Items ("Delivery Dates") are always only approximate unless a fixed Delivery Date has been expressly promised or agreed.
- 4.2. The Supplier is not liable where it is impossible to provide delivery or its services, or only to do so with delay, to the extent that this is attributable to force majeure or other occurrences that were unforeseeable when the contract was entered into and for which the Supplier or its upstream suppliers or subcontractors are not responsible (e.g. disruption to operations, fire, natural disasters, epidemics, pandemics, weather, flooding, war, insurgency, terrorism, transport delays, strikes, lawful lockouts, shortages of labour, energy or raw materials, packaging materials or logistics capacity, delays in the issuing of any necessary official permits, official/sovereign measures).
- 4.3. The timely and correct delivery of the Delivery Items or provision of services by the Supplier is subject to the following conditions:
 - a) The timely and correct provision of the necessary information, materials, documentation required for export and import, products, components, documents, permits, clearances and fulfilment of other requirements of the customer to support or to collaborate with the Supplier or its upstream suppliers or subcontractors;
 - b) The timely receipt by the Supplier of payments, down-payments or other securities (e.g. letter of credit, sureties) to be made according to the contract;
 - c) The timely notification of the name and address to which the delivery is to be made;
 - d) The timely and correct delivery/performance by the Supplier's upstream suppliers and subcontractors provided the Supplier instructs the third party in such a timely manner that prompt delivery/performance can be expected;
 - e) The timely and complete acceptance of the Supplier's orders for components or materials by upstream suppliers, which the Supplier undertakes in the normal course of business for a delivery that can be expected in good time.
- 4.4. If events within the meaning of clauses 4.2 or 4.3 occur, the Delivery Dates will be extended automatically by the duration of the event, plus a reasonable start-up period. Further reasons that justify delayed delivery or make the delivery impossible and that arise from the contract, the applicable law or otherwise, remain unaffected.
- 4.5. Default on delivery will generally be determined as provided for in statute. Notwithstanding this, however, a reminder from the customer is always required for the occurrence of default.
- 4.6. The Supplier is entitled to make partial deliveries if this can be reasonably expected of the customer.

5. DELIVERY MODALITIES, TRANSFER OF RISK

- 5.1. Unless otherwise agreed, "EXW Incoterms (2020)" ex warehouse/place of manufacture will apply to all deliveries by the Supplier.
- 5.2. Notwithstanding clause 5.1 and only if agreed with the customer, the Supplier will ship the Delivery Items to the place of destination specified by the customer. In this case the costs – including the packaging costs - will be borne by the customer. The Supplier is entitled to specify the type of shipment (in particular, the transport company and transport method) and the packaging at its due discretion. In such cases, the risk will pass to the customer upon receipt of the Supplier's notification that the order is ready for shipment, or – if such notice is not provided for by contract – at the latest upon handover of the Delivery Items to the freight forwarder, carrier or the other transport person.
- 5.3. The Delivery Items will only be insured by the Supplier against theft, breakage, transport, fire or water damage or other insurable risks if this is expressly agreed with the customer and at the customer's cost.

6. DEFECTS

- 6.1. The statutory provisions will apply to the rights of the customer in the event of quality defects and defects in title in the delivery, subject to deviating or supplementary provisions in these GTC.
- 6.2. The Supplier accepts no liability for unsuitable, improper or inappropriate use, faulty assembly by the customer or third parties engaged by the customer, normal wear and tear, faulty or negligent handling, wear and tear, use of unsuitable operating materials or replacement materials, or for improper chemical, electromechanical or electrical influences.
- 6.3. The Supplier also assumes no warranty for defects which only insignificantly reduce the value or suitability of the Delivery Items. A defect is deemed to be insignificant if it disappears on its own after a short time, corrects itself or if it can be remedied by the customer itself at very little expense.
- 6.4. The information contained in advertising statements, catalogues, brochures and the like are only binding if they are confirmed in writing by the Supplier. Agreed specifications always take precedence over objectively expectable specifications.
- 6.5. If there is a defect covered by the warranty, the Supplier will rectify it free of charge and within a reasonable period of time using the means of its choice (repair or replacement). Replaced parts will become the property of the Supplier.
- 6.6. The customer will give the Supplier the necessary time and opportunity to examine complaints and for subsequent performance and will provide the Supplier with auxiliary staff at the Supplier's expense. Rejected Delivery Items must be made available to the Supplier for inspection purposes.
- 6.7. If there actually is a defect, the expenses required for the purpose of subsequent performance, in particular transport, travel, labour and material costs, will be borne by the Supplier in accordance with the statutory provisions. If a complaint by the customer proves to be unfounded, the Supplier can demand reimbursement from the customer for the costs incurred as a result of the complaint (in particular, for inspection and transport), unless the lack of justification for the complaint was not apparent to the customer.
- 6.8. This does not affect the customer's right to reduce the price or rescind the contract if subsequent performance fails.
- 6.9. In all other respects, the liability of the Supplier is governed by clauses 7 and 8.

7. LIABILITY

- 7.1. Unless otherwise set out in these GTC, the Supplier is liable for any breach of contractual and non-contractual duties as provided for by statute.
- 7.2. Irrespective of the legal grounds, the Supplier is liable without

limitation for compensation for losses resulting from an intentional or grossly negligent breach of duty by the Supplier itself or by one of its legal representatives or vicarious agents.

- 7.3. In the event of a merely slightly or ordinarily negligent breach of duty by the Supplier or one of its legal representatives or vicarious agents, the Supplier is only liable (subject to a milder level of liability pursuant to statutory provisions)
 - a) – albeit without limitation – for resultant losses arising from injury to life, limb or health;
 - b) for losses arising from a breach of material contractual duties. Material contractual duties are those duties that are essential for the execution of the contract and on whose fulfilment the customer ordinarily relies or can rely. In this case, however, the Supplier's liability is limited to the damage typical of this type of contract that was foreseeable at the time the contract was entered into.
- 7.4. The limitations of liability pursuant to clause 7.3 do not apply where the Supplier has fraudulently failed to disclose a defect, has assumed a guarantee in respect of the attributes of the Delivery Items or a procurement risk. In addition, liability under the German Product Liability Act (*ProdHaftG*) remains unaffected.
- 7.5. If the Supplier's liability is excluded or limited, this also applies to any personal liability of its bodies, legal representatives, staff, employees and vicarious agents.

8. LIMITATION PERIOD

Unless otherwise agreed in the contract, the statutory limitation period for quality defects and defects of title pursuant to section 438 (1) no. 3 German Civil Code (*BGB*) will be reduced to twelve (12) months. This does not apply to liability for claims for compensation provided the Supplier's liability is not excluded or limited pursuant to clause 7. Furthermore, cases of recourse according to sections 478, 445b German Civil Code (*BGB*) also remain unaffected.

9. RESERVATION OF TITLE

- 9.1. The Supplier retains title to all Delivery Items delivered by it until full payment of all claims arising from the business relationship with the customer ("**Goods under Reservation of Title**"). This also applies if one or all of the Supplier's claims have been included in a current account and the balance has been established and acknowledged.
- 9.2. The customer is authorised, subject to revocation at any time, to use, process, alter, combine, mix and/or sell the Delivery Items in its ordinary course of business. In the event of resale, the customer hereby assigns to the Supplier all claims with all ancillary rights which accrue to it from the resale against the purchaser or against third parties, irrespective of whether the Delivery Items covered by this reservation of title are sold in their original form or after treatment or processing.
- 9.3. The customer is still authorised to collect this claim even after it has been assigned. This does not affect the Supplier's authority to collect such receivables. The Supplier will not exercise this right as long as the customer duly meets all payment obligations in accordance with the conditions set forth herein. The Supplier may demand that the customer disclose the Supplier's assigned claims and their debtors, provide all information required to collect the claims, hand over the related documents and notify the debtors of such assignments. If the Goods under Reservation of Title are resold together with other delivery items that do not belong to the Supplier, then the customer's claims against the purchaser or third-party customer are deemed assigned to the Supplier, whereby such assignment will be in the amount of the delivery price agreed between the customer and the Supplier.
- 9.4. The treating and processing of the Goods under Reservation of Title will always be carried out for the Supplier as the manufacturer, without any obligations arising for the Supplier as a result. If the Goods under Reservation of Title are processed or irreversibly mixed with other items that do not belong to the Supplier, the Supplier will acquire co-title in the new item in the

ratio of the invoice value of the Goods under Reservation of Title to the other goods at the time of such processing or mixing. The rights to co-title which arise in this manner are deemed to be Goods under Reservation of Title within the meaning of these GTC.

- 9.5. As long as the Supplier's retention of title exists, the customer may neither pledge the Delivery Item nor assign it as security. In the event of seizure and confiscation or other dispositions by third parties, the customer will notify the Supplier without undue delay, if possible by telephone, by fax or email, and inform the third party without undue delay of the Supplier's retention of title. The customer is required to provide the Supplier with a seizure report and a statement in lieu of an oath about the identity of the seized items.
- 9.6. If the customer so requests, the Supplier will release the Goods under Reservation of Title and any objects and claims by which they have been replaced to the extent that their estimated value exceeds the amount of the secured claims by more than 50 %. The Supplier is free to select which items to release.
- 9.7. In the case of significant conduct of the customer that is in breach of contract, in particular, in the case of default with payment, the Supplier is entitled to rescind the contract pursuant to the statutory provisions and take back the Goods under Reservation of Title. The costs incurred in taking such back will be borne by the customer. Once the Supplier has taken back the Goods under Reservation of Title it is entitled to sell them; the realisation proceeds from the sale will be offset against the liabilities of the customer minus reasonable selling costs.

10. CHOICE OF LAW AND PLACE OF JURISDICTION

- 10.1. The mutual legal relationships are subject to German law excluding the UN Convention on Contracts for the International Sale of Goods (CISG).
- 10.2. Place of jurisdiction for any legal disputes arising from this contractual relationship will be the registered office of the Supplier. However, the Supplier is also entitled to take action before a court that has jurisdiction over the customer's registered office.

11. MISCELLANEOUS

- 11.1. The place of performance for all obligations is the Supplier's registered office.
- 11.2. If one or more of the provisions of these GTC is invalid or unenforceable, this will not affect the validity of the other provisions of these GTC. The same applies if these GTC do not contain a provision that is actually necessary. The contractual partners will replace the invalid or unenforceable provision by whatever legally valid and enforceable provision most closely reflects the meaning and purpose of the invalid or unenforceable provision. Should these GTC be incomplete, the contractual partners will enter into an agreement with the content they would have agreed upon had they been aware of the omission when concluding these GTC.