

1. Scope

- 1.1 These General Terms and Conditions of Sale shall apply to all business transactions between the seller and the customer. They shall apply correspondingly to work performances and services. In the place of the acceptance of the delivered products, acceptance of the work applies to work performances and acceptance of the service in the case of services.
- 1.2 The Standard Conditions of the German Textile Industry or any other conflicting, additional or customer terms and conditions deviating from these Terms and Conditions of Delivery and Payment shall not form part of the contracts unless the seller has expressly agreed in writing to their applicability. These General Terms and Conditions of Sale shall also apply in cases where the seller executes a delivery to the customer without reservation in the knowledge of the customer's conflicting or deviating conditions.
- 1.3 Any additional or deviating conditions to these General Terms and Conditions of Delivery and Payment which are agreed between the seller and the customer for the execution of a contract, shall be stipulated in writing in the contract. This shall also apply with regard to the waiver of this requirement of written form.
- 1.4 Any rights beyond these General Terms and Conditions of Delivery and Payment which are due to the seller according to statutory regulations shall remain unaffected.

2. Execution and modification of contracts

- 2.1 All offers are subject to confirmation and nonbinding.
- 2.2 Illustrations, drawings and information on weight, dimension, performance and consumption, as well as any other product descriptions in the documentation appertaining to the offer shall only apply by way of approximation, unless expressly stipulated as binding. They do not constitute an agreement or a warranty of any characteristics of the products.
- 2.3 The seller reserves all rights of ownership and copyrights to all tender documents. Such documents shall not be disclosed to third parties.
- 2.4 An order will not become binding until it has been confirmed in writing by the seller in a confirmation of order, or until the seller delivers the products. Any confirmation of order created electronically which does not bear a signature and name shall be deemed to constitute written form. The silence of the seller with regard to offers, orders, requests or other declarations of the customer does not imply approval unless expressly agreed otherwise in writing. Where the confirmation of order contains obvious mistakes or clerical or computational errors, it shall be nonbinding for the seller.

3. Scope of delivery

- 3.1 The seller's written confirmation of order is authoritative for the scope of delivery. Changes to the scope of delivery shall not be effective unless confirmed in writing by the seller. Changes in the design and shape of the products are reserved provided that such changes are insignificant and reasonable for the customer.
- 3.2 Reasonable amounts of partial deliveries are acceptable.

4. Delivery time

- 4.1 Agreements on delivery periods and dates shall be subject to written form. All delivery periods and dates are nonbinding unless expressly declared binding.
- 4.2 The delivery period shall commence at the time of dispatch of the confirmation of order by the seller and the receipt of any agreed down payment. Adherence to the delivery period is conditional upon timely and proper compliance with all other obligations of the customer.
- 4.3 The delivery period shall be deemed satisfied when the products have left the plant or the distributing warehouse or when the seller has declared its readiness to collect or dispatch before expiry of the delivery period. The delivery shall be subject to timely and proper delivery of supplies to the seller by its own suppliers.
- 4.4 In the event of any delay in delivery the customer shall be entitled to rescind the contract after a reasonable extension of the original period set by the customer threatening non-acceptance of the delivery has expired. When requested by the seller, the customer shall declare within a reasonable period whether the customer intends to rescind the contract on expiry of the extension period due to the delay in delivery, or whether the customer insists on receiving the delivery.
- 4.5 If the seller has concluded an outline agreement with the customer regarding future deliveries with fixed delivery dates, and if the customer does not call forward the products in time, the seller – following the ineffectual expiry of a reasonable extension of the period – shall be entitled to deliver and invoice the products, withdraw from the agreement or, if the customer has acted culpably, demand damages instead of the performance.

5. Passage of risk

- 5.1 The risk shall pass to the customer as soon as the products have been handed over to the person in charge of transportation or have left the seller's warehouse for the purpose of dispatch. This shall also apply in the event of partial deliveries or when the seller has assumed additional services such as shipping costs. Dispatch shall always be executed on behalf of the customer (ex works). Unless specified otherwise in written instructions by the customer, the seller shall determine the type of shipment. The seller shall insure the product at the customer's request and expense by means of a transport insurance against the risks to be specified by the customer.
- 5.2 If the customer defaults in accepting delivery of the goods or if the customer breaches any other duties to cooperate, the seller shall be entitled to demand compensation for the damage incurred, including any additional expenses. The risk of accidental loss or of accidental deterioration of quality of the products shall pass to the customer at the moment in which the customer defaults in accepting delivery of the goods. The seller shall be entitled to dispose of the products in another way following ineffectual expiry of a reasonable time extension, or to supply the customer within a reasonably extended period.
- 5.3 Delivered products shall be accepted by the customer irrespective of any claims based on defects even if the products show insignificant defects.

6. Prices and payment

- 6.1 The prices valid at the time of delivery shall apply, unless deviating price agreements have been concluded in writing. Unless otherwise agreed in writing, the prices are ex works prices, inclusive of the seller's standard packaging, but excluding freight, insurance and value-added tax at the applicable statutory rate. If in individual cases freight prepaid has been agreed, the freight shall be included to the customer's transfer point, excluding cartage. The value-added tax at the applicable statutory rate on the day of invoicing shall be shown separately.
- 6.2 Unless agreed otherwise in writing, the price of delivery shall be paid in the currency shown on the invoice within 14 days from the date of invoice. The deduction of the cash discount is subject to the customer having discharged all due debts from the business relationship in time. The day of payment is deemed to be the day when the seller can dispose of the price of delivery. In the event of a default in payment, the customer shall pay interest on arrears at a level of 7 % points p.a. above the reporate of the Czech National Bank at the first day of the applicable semester. The right of assertion of compensation for any further damage is reserved.
- 6.3 The customer shall not offset counterclaims unless they are legally enforceable or undisputed. The customer shall have no right of retention unless the customer's counterclaim is based on the same contractual relationship.
- 6.4 The acceptance of cheques and bills of exchange shall be on account of performance only. All costs and fees for discounting or redemption of bills of exchange shall be borne by the customer. With regard to orders from abroad, the delivery shall not be effected, unless otherwise agreed in writing, until after full payment has been made.
- 6.5 In the event of a default of payment by the customer, the seller shall be entitled, without further notice and notwithstanding any farther-reaching rights, to exert a right of retention with regard to all deliveries and services still outstanding or to demand prepayment or a guarantee. In addition, the seller shall be entitled in this event to demand cash payment against return of the bills of exchange, irrespective of the terms of the bills of exchange. This stipulation shall also apply if facts are brought to the attention of the seller which give rise to doubts concerning the customer's ability to pay.

7. Complaints due to defects, warranty and liability

- 7.1 All information about the suitability, finish, nature, characteristics and application of the products as well as technical advice and other information shall not be deemed to represent independent warranties or warranties as defined by Section 443 of the German Civil Code (BGB), and they shall not relieve the customer from its duty to execute its own tests and examinations. Third-party industrial property rights shall be observed in the use of the products.
- 7.2 The rights of the customer with regard to defects shall be subject to the customer examining the supplied products on receipt, in as far as this can be reasonably expected also by processing or using samples, and subject to the customer notifying the seller of any such defects in writing without delay, but no later than seven days after receipt of the products. Hidden defects shall be notified to the seller without delay, but no later than seven days after their discovery. The customer shall describe the defects in writing in the notification to the seller.
- 7.3 In the event of defects in the products, the seller shall be entitled, at the seller's own discretion, to perform subsequently by remedying the defect or delivering a defectfree product. The seller shall bear all costs required in this performance, in particular transportation, road, labour and material costs, in as far as these are not increased as a result of the products being taken to another location than the delivery address, unless this relocation complies with the intended use.
- 7.4 If the seller is not willing or able to perform subsequently, the customer shall be entitled, at the customer's own discretion and notwithstanding any claims to damages or expenses as governed in these Terms and Conditions, to reduce the price of delivery or cancel the contract, provided that the breach of the seller's obligations is more than insignificant. This stipulation shall also apply if the subsequent performance fails, if the customer cannot be reasonably expected to accept it or if it is delayed beyond reasonable deadlines for reasons for which the seller can be held responsible.
- 7.5 The right of the customer to rescind the contract shall be excluded if the customer is unable to return the received performance and this inability is not due to the fact that the return of the goods is impossible due to the nature of the performance received, is due to reasons for which the seller can be held responsible, or if the defect only showed during the processing or conversion of the products. The right of the customer to rescind the contract shall be excluded if the seller cannot be held responsible for the defect, or if the seller is required to grant compensation for lost value instead of return.
- 7.6 No complaints due to defects shall arise from natural wear and tear, improper handling, improperly executed or unauthorized modifications or repairs of the products by customers or third parties. This stipulation shall also apply to defects for which the customer can be held responsible or which can be traced back to a technical cause other than the original defect.
- 7.7 Claims of the customer for repayment of expenses instead of damages in place of performance are excluded provided that the expenses would not also have been incurred by a reasonable third party. Claims of the customer for repayment of expenses shall be restricted to the interest which the customer has in the fulfilment of the agreement. Any mandatory liability for product defects shall remain unaffected.
- 7.8 In the event of complaints due to defects, the customer shall only withhold payments if the customer's claims are undisputed or legally enforceable, and to an extent which is in reasonable proportion to the defects which have occurred. If the complaint is not justified, the seller shall be entitled to request reimbursement from the customer for any expenses incurred.
- 7.9 In the case of delivery of consumer goods, rights of recourse of the customer against the seller only exist to the extent to which the customer has not concluded any agreement with

its buyer reaching beyond the statutory rights with regard to defects or recourse. Section 7.3. Sentences 2 and 3 of these Terms and Conditions shall apply accordingly. If a claim is made against the customer in the event of supply of consumer goods due to a defect of the newly produced product, the customer shall inform the seller thereof in writing without delay. The seller reserves the right to satisfy the claims brought against the customer by contracting in its own name. In this case, the satisfaction of the claims of the buyer shall be deemed to constitute fulfilment of any claims of the customer.

- 7.10. The seller shall have unlimited liability for damages resulting from the breach of a warranty or damage to life, limb or health. The same stipulation shall apply to intent and gross negligence. In the event of slight negligence, the seller shall only be liable if material obligations have been breached which ensue from the nature of the contract and are of particular significance for the achievement of the objective of the contract. In the event of violation of such obligations, default and impossibility, the liability of the seller shall be limited to such damages whose creation is typically to be expected within the context of the contract. Any mandatory statutory liability for product defects shall remain unaffected.
- 7.11. The period of limitation for claims for defects by the customer shall be four years, commencing from the delivery of the products. It shall also apply to claims based on tort due to a product defect. Section 479 of the German Civil Code (BGB) shall remain unaffected. The unlimited liability for damages of the seller resulting from the breach of a warranty or damage to life, limb or health, for intent, gross negligence and product defects shall remain unaffected. No statement given by the seller with regard to a claim for defects asserted by the customer shall be deemed to represent the entry into negotiations regarding the claim or the causes on which the claim is based, if the claim for defects is comprehensively rejected by the seller.
- 7.12. To the extent to which liability of the seller is excluded or limited, this limitation shall also apply with regard to the personal liability of staff, employees, associates, agents and representatives of the seller.

8. Reservation of title

- 8.1. Until full payment of all outstanding accounts due to the seller from the customer from the business relationship, the products supplied shall remain the property of the seller. In the case of deliveries on open account, the reservation of title shall apply as security for the relevant account balance of the seller. The customer shall treat the products subject to reservation of title with due care during the time of reservation of title. In particular, the customer shall adequately insure the products at their replacement value against fire, water and theft at the seller's request. The customer hereby assigns all rights to compensation from this insurance to the seller. The seller hereby accepts this assignment. Any farther-reaching claims of the seller shall remain unaffected.
- 8.2. The sale of any products subject to reservation of title shall only be allowed in the normal course of business, unless a case of default in payment exists. The customer shall not be entitled to pledge any products subject to reservation of title, transfer them by way of security or dispose of them in any other way which would jeopardize the seller's property rights. In the event of seizure or other actions of third parties, the customer shall inform the seller of such an event without delay in writing providing all necessary information, and the customer shall inform the third party of the seller's property rights and cooperate with the seller in performing measures for the protection of the products subject to retention of title. Should the third party be unable to reimburse the seller any legal or out-of-court expenses for the enforcement of the seller's property rights, the customer shall be liable for any loss incurred by the seller.
- 8.3. The customer hereby assigns any receivables from the resale of the products with a retention of title inclusive of all ancillary rights to the seller, irrespective of whether the products subject to retention of title are sold without or following processing. The seller hereby accepts this assignment. In the case where such an assignment should not be permissible, the customer hereby instructs the third party debtor irrevocably to make any payments exclusively to the seller. The customer is hereby revocably authorized to collect the receivables assigned to the seller in its own name in trust on behalf of the seller. The collected amounts shall be passed on to the seller without delay. The seller shall be entitled to revoke the customer's collection authority and the customer's authority to resell the products for good cause, in particular when the customer does not properly fulfil its payment obligations towards the seller, defaults in payment, discontinues payments, or if bankruptcy proceedings are instigated with regard to the customer's assets. In the event of a blanket assignment by the customer, the claims assigned to the seller shall be expressly excluded.
- 8.4. At the seller's request, the customer shall inform any third party debtors of the assignment and provide the seller with the information and documentation required for collection.
- 8.5. In the event of breach of contract by the customer, in particular in the case of default in payment, the seller shall be entitled to rescind the contract and take back the products supplied. Following their return, the seller shall be entitled to sell them. Any proceeds from such sale shall be offset against the customer's liabilities, less reasonable realization costs.
- 8.6. In the event of default in payment by the customer, the seller shall be entitled, notwithstanding any of the seller's other rights, to rescind the contract without further notice. The customer shall grant the seller or any agent commissioned by the seller immediate access to the products subject to retention of title, and shall surrender the products. After notification with a reasonable period of notice, the seller shall be entitled to utilize the products subject to retention of title in another way to satisfy the seller's claims against the customer which have fallen due.
- 8.7. The processing or conversion of the products subject to retention of title by the customer shall always be performed on behalf of the seller. The customer's contingent right to the products subject to retention of title is continued with regard to the processed or converted goods. If the products are processed or converted together with other items not belonging to the seller, the seller shall be entitled to shared ownership in the new items in proportion of the value of the supplied products to the value of the other processed

items at the time of processing or conversion. The same stipulation shall apply if the products are connected or mixed with other items not belonging to the seller in such a way that the seller loses its full property rights. The customer shall keep the new items safe for the seller. With regard to the item created by processing, conversion, connection or mixing, the same conditions shall apply as for the products subject to retention of title.

- 8.8. At the customer's request, the seller shall release the securities to which the seller is entitled to the extent that the realizable value of such securities, taking into account customary bank downward valuation adjustments, exceeds the claims of the seller from the business relationship with the customer by more than 20 %. During valuation, the invoiced value of the products subject to retention of title and, in the case of receivables, the nominal value, shall be authoritative. The seller shall select the individual objects to be released at its own discretion.
- 8.9. At the time of cessation of payments, the customer shall send to the seller a breakdown of any remaining products subject to retention of title, even if they have been processed, as well as a breakdown of claims against third-party debtors including invoicing addresses.
- 8.10. Amounts received from assigned receivables shall be retained separately until they are transferred.
- 8.11. In the event of payment by cheque or bill of exchange, the right of retention shall remain in force up to the point of redemption of the bill of exchange by the customer.
- 8.12. For the case of deliveries into other legal systems where the retention of title rule does not provide the same legal security as in the Federal Republic of Germany, the customer hereby grants the seller a corresponding security interest. If additional measures are required for the granting of such a security interest, the customer shall do everything required in order to grant the seller such a security interest. The customer shall cooperate in all measures required and conducive to ensuring the effectiveness and enforceability of such a security interest.

9. Product liability

- 9.1. The customer shall not modify the products. In particular, the customer shall not modify or remove any warnings regarding risks in the case of improper use of the contractual products. In the event of any breach of this obligation, the customer shall indemnify the seller internally for any third-party product liability claims if the customer can be held responsible for the defect causing the liability.
- 9.2. If the seller has cause to recall or issue an alert about products due a product defect, the customer shall use its best efforts to cooperate with and support the seller, in particular with regard to the determination of the required customer data.
- 9.3. The customer shall inform the seller in writing without delay of any risks which come to the customer's attention with regard to the use of the contractual products and possible product defects.

10. Force majeure

- 10.1. If the seller is prevented from fulfilling its contractual obligations, in particular delivery of the products, by a case of force majeure, the seller shall be relieved from its duty to perform for the duration of the obstacle plus an appropriate start-up time, with no right of damages accruing for the customer. This stipulation shall also apply if the fulfilment of the seller's obligations is unduly impeded or temporarily made impossible by events which could not be foreseen by the seller and for which the seller cannot be held responsible, in particular labour disputes, official actions by public authorities, lack of energy supply, suppliers' delivery problems or significant interruptions of operations. This stipulation shall also apply if such circumstances occur with subcontractors. The seller cannot be held responsible for such events even if the seller is already in default. If the seller is relieved from its obligation to deliver, the seller shall reimburse any prepayments made by the customer. Any farther-reaching claims by the customer are excluded.
- 10.2. The seller shall be entitled to rescind the contract if such an obstacle persists for more than four months and the fulfilment of the contract is of no further interest for the seller because of the obstacle. At the customer's request, the seller shall declare at the end of such period whether it intends to exert its right of rescission or supply the products within a reasonable period.

11. Final clauses

- 11.1. The rights and obligations of the customer shall not be assigned to third parties unless with the written agreement of the seller.
- 11.2. The language of the contract is German.
- 11.3. The contract includes all agreements made. No additional written or verbal ancillary agreements exist. No modifications of or additions to the contract are valid unless made in writing. This stipulation shall also apply to the waiver of the requirement of written form.
- 11.4. The law of the Federal Republic of Germany shall apply to the legal relationship between the customer and the seller to the exclusion of conflict of law provisions, the United Nations Convention on Contracts for the International Sale of Goods (CISG) or any other international conventions on the law regarding the sale of goods.
- 11.5. The exclusive legal venue for all disputes arising from the business relationship between the seller and the customer is the place of business of the seller.
- 11.6. Place of fulfilment for all activities of the customer and seller is the place of business of the seller.
- 11.7. Should a stipulation of these General Terms and Conditions of Sale be or become ineffective or unenforceable in full or in part or should a gap exist in these Terms and Conditions, this shall not affect the validity of the remaining stipulations. The ineffective or unenforceable stipulation shall be replaced by an effective and enforceable stipulation which approximates the purpose of the ineffective or unenforceable stipulation most closely. In the event of a gap, a stipulation shall be deemed to have been agreed which corresponds to what would have been agreed if the seller and the customer had considered the matter from the start.