

SCHWARZWÄLDER TEXTIL-WERKE HEINRICH KAUTZMANN GMBH

SALES CONDITIONS

I. Scope of application

1. The present Sales Conditions apply to all offers and contracts for deliveries and services (hereinafter jointly referred to as "deliveries") which the Seller provides to a Customer.
2. These Sales Conditions apply exclusively; the Seller shall not accept any terms or conditions of the Customer deviating from or relating to these Sales Conditions, unless it has offered its explicit consent in written form. This also applies if the Seller carries out the deliveries unconditionally in the knowledge of conflicting terms and conditions deviating from the present Sales Conditions – even in this case the present Sales Conditions apply.
3. Individual agreements with the Customer reached in individual cases (including ancillary agreements, supplements and amendments) shall take precedence over these Sales Conditions. For the content of such individual agreements, a written contract or a written confirmation of the Seller is decisive – written notice is sufficient.
4. Legally binding declarations and notices which are to be handed over to the Seller by the Customer after conclusion of the contract, such as, for example, deadlines, reminders, withdrawal declarations, must be in written form.
5. These Sales Conditions apply exclusively to companies, legal persons under public law or a specialpurpose entity organised under public law pursuant to § 310 (1) of the German Civil Code (BGB).

II. Offer – Offer documents

1. Unless stated otherwise in the individual case, the offers of the Seller are not binding.
2. The Seller reserves the right of ownership to illustrations, drawings, calculations, specifications and other documents; the same also applies to its copyrights, insofar as copyright protection is concerned.
3. Without the express prior consent of the Seller in written form, the Customer may not make documents available to third parties pursuant to Paragraph 2 above. They are to be used exclusively for the purpose as per the Seller's offer. If no contract is concluded, they are to be returned to the Seller at any time upon written request. They shall not be disclosed to third parties.

III. Prices and payment

1. Unless otherwise agreed in written form, the prices of the Seller ex works including packaging and additional valueadded tax are valid in the respective amount.
2. The invoice is issued on the day of delivery or deployment of the goods. A postponement of the due date (valuation) is strictly excluded.
3. Invoices shall be payable without deduction within 30 days, unless agreed otherwise in writing. The Seller shall be entitled to demand payment for future deliveries at any time in case of recurring deliveries.
4. Payments are always applied to settle the earliest due debt plus the interest on arrears accrued thereon.
5. The final credit on the Seller's account is decisive for the timeliness of the payment.
6. The Customer has offset and/or retention rights only on the basis of counterclaims which have been ascertained legally or indisputably or are decisive in a pending procedure.
7. In the case of default of payment, interest on arrears will be calculated in the amount of 9 percentage points above the respective base interest rate pursuant to Art. § 247 BGB. § 288 of the BGB also applies.
8. In the event of a delay in payment, the Seller shall be entitled to payment of a fixed sum of € 40 as per § 288 (5) BGB.
9. Before complete payment of invoice amounts including interest, the Seller is not obliged to make any further deliveries from current supply contracts. The right to claim damages for default is reserved.
10. In the event of non-compliance with the terms of payment or if the

Seller becomes aware, after the conclusion of the delivery contract, that the payment claim is jeopardized by the Customer's lack of ability to perform, the Seller shall be entitled to carry out outstanding deliveries only against corresponding advance payment or security; otherwise, the provisions of § 321 BGB shall apply.

IV. Delivery time and transfer of risk

1. The delivery shall be made at the date specified by the Seller (e.g. on a working day or a certain calendar week). Unless otherwise agreed upon, these dates are approximate dates. All deliveries are concluded in certain quantities, articles, qualities and fixed prices. The planned delivery time is deemed to have been observed by the Seller if the delivery has left the Seller's works or the seller has notified the customer of the delivery before the expiry of that time.
2. The Seller's adherence to the delivery period requires that all commercial and technical questions between the contracting parties have been clarified and that the Customer has fulfilled all obligations in a timely and proper manner. If this is not the case, the delivery time is extended accordingly; this does not apply if the Seller is responsible for the delay.
3. If the Customer is in default of acceptance or if it culpably violates any other obligations of cooperation and/or supply, the Seller is entitled to demand from the Customer compensation for the damages incurred, including possible additional expenses; any further claims or rights of the Seller remain reserved.
4. If the delivery time cannot be adhered to due to force majeure, labour disputes or other unforeseeable events which are beyond the Seller's sphere of influence and which were not recognisable, the delivery period is automatically extended by a reasonable period. Both the occurrence of such an event and the absence of the event will be immediately notified to the Customer.
5. The Seller is entitled to delivery ahead of schedule as well as partial deliveries, provided this is reasonable for the Customer.
6. The prerequisite for compliance with the delivery period is the proper and timely self-delivery of the Seller by its suppliers. The Seller shall promptly notify the Customer accordingly if circumstances arise or become apparent to him which indicate that due to an incorrect or untimely self-delivery, compliance with the delivery in the time agreed with the Customer could be jeopardized. In this case, the Seller will keep the customer actively and regularly informed.
7. If the Customer is damaged due to a delay for which the Seller is responsible, the Customer is entitled to claim a fixed sum compensation amount. In the case of slight negligence, this fixed sum payment shall be 0.5%, but not more than 5%, of the net remuneration of the delivery that was not delivered to the Customer in due time as a result of the delay. Without prejudice to this, the Customer shall be entitled to withdraw from the contract in full in accordance with statutory provisions. However, further claims arising from delay in delivery shall only arise pursuant to No. VI. 2. of these Sales Conditions.
8. Unless otherwise agreed in the individual case, the delivery of the Seller shall be „ex works“; this is also relevant for the transfer of risk, even if the Seller still accepts additional services, such as transport or shipping costs. In the case of an agreed shipment, the risk is passed on to the Customer upon handover to the freight forwarder, the freight carrier or the person designated to carry out the dispatch.

V. Defects and Liability

1. The agreed nature of the deliveries shall be those properties and characteristics which are mentioned in the Seller's offer, the data sheet and in his order confirmation. Other or further characteristics and features shall only be deemed agreed upon if the Seller has expressly agreed with the customer in writing. All information concerning the

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nature of the deliveries and the nature of the execution in the prospectuses, catalogues or in the correspondence preceding the offer of the Seller as well as in other documents are only approximate insofar as they are not expressly stated as binding in the offer of the Seller or in its order confirmation. This also applies to photos, drawings and other illustrations.

2. After mixing or otherwise initiated processing of the delivered goods, any complaints of open defects are excluded.
3. Small, technically unavoidable deviations in the quality, colour, or weight may not be objected to. Goods sold under the label "in principle, etc." may contain admixtures of other fibres. A guarantee cannot be accepted by the Seller.
4. All deliveries with demonstrable material defects upon the transfer of risk will either be reworked or redelivered at the Seller's discretion; the Customer must give the Seller reasonable time and opportunity for the retrospective fulfilment.
5. Within the scope of the statutory provisions, the Customer has the right to withdraw from the contract if the Seller, taking the legal exceptions into consideration, allows a reasonable deadline set for the retrospective fulfilment due to a defect to elapse. If there is only a negligible defect, the Customer has only a right to a price reduction.
6. Further claims of the Customer against the Seller are determined according to No. VI of these Sales Conditions.

VI. Liability of the Seller

1. If the delivery cannot be used by the Customer as a result of the Seller's omitted or faulty recommendations or consultations, which were made before or after conclusion of the contract, or by the culpable breach of other contractual obligations, the rules of Nos. V. and VI.2 shall apply.
2. The Seller shall be liable for damages which did not arise on the deliveries themselves – for whatever material and legal reasons – only
 - a) in the case of intent
 - b) in the case of gross negligence on the part of the owner/the bodies or managerial staff
 - c) in case of culpable injury to life, body, health
 - d) in the case of defects which it has fraudulently concealed
 - e) within the framework of a guarantee
 - f) in the case of defects in the delivery, as far as the product liability law is liable for personal In case of culpable breach of essential contractual obligations, the Seller is also liable in case of gross negligence of non-executive employees and in case of slight negligence, in the latter case limited to the contracttypical damages which are reasonably foreseeable. Further damages claims are excluded.

VII. Statute of limitations

1. All Customer claims – irrespective of the material and legal grounds – expire in twelve months. For damages claims according to No. VI.2, statutory time limits apply. They shall also apply to deficiencies in a building or to deliveries which have been used for a building according to the usual use and which have caused a defect. The statute of limitations in the event of a delivery regress pursuant to §§ 478, 479 BGB shall remain unaffected.

VIII. Reservation of title

1. The Seller reserves the title to the purchased goods until all payments under the delivery contract have been received. In the event of a breach of contract by the Customer, in particular in the case of a delay in payment, the Seller is entitled to take back the purchased goods. The rescission of the purchase goods by the Seller is a rescission of the contract. The Seller shall, after repossessing the purchased goods, have the right to resell them; the sale proceeds shall, after the deduction

of reasonable selling costs, be credited towards the buyer's debts.

2. The Customer is obligated to handle the purchased goods with care; in particular, it is obliged to insure them at the original value against fire, water and theft damage at his own expense.
3. In the event of seizures or other interventions by third parties, the Customer shall immediately notify the Seller in writing so that the Seller can bring an action pursuant to § 771 ZPO. If the third party is not in a position to reimburse the court and extrajudicial costs of an action pursuant to § 771 ZPO against the Seller, the Customer is liable for the loss incurred by the Seller.
4. The Customer is entitled to resell the purchased goods in the ordinary course of business; it shall now assign to the Seller all claims in the amount of the final invoice amount (including VAT) of the Seller's claim arising out of the resale against its customers or third parties, irrespective of whether the purchased goods continue to be sold after processing or without processing. The Customer shall remain authorized to collect this claim even after the assignation. The power of the Seller to collect the claim itself remains hereby unaffected. However, the Seller undertakes not to collect the receivables as long as the Customer complies with his payment obligations from the revenue collected, is not in arrears with payment, and in particular no application for the opening of a settlement or insolvency proceedings is filed or payment is settled. If this is the case, the Seller may demand that the Customer notify it of the assigned claims and their debtors, provide all information necessary for collection, hand over the related documents and notify the debtors (third parties) of the assignation.
5. The processing or restructuring of the purchased goods by the Customer is always undertaken for the Seller. If the purchased goods are processed with other items not belonging to the Seller, the Seller shall acquire co-ownership of the new item in proportion to the value of the purchased goods (final invoice amount including VAT) to the other processed goods at the time of the processing. In addition, the same applies to the goods resulting from the processing as for the purchased goods delivered under reservation.
6. If the purchased goods are inseparably mixed with other items not belonging to the Seller, the Seller shall acquire co-ownership of the new item in proportion to the value of the purchased goods (final invoice amount including VAT) to the other mixed items at the time of the mixing. If the mixing occurs in such a way that the Customer's item is to be regarded as the main item, then it is agreed that the Customer transfers co-ownership to the Seller proportionately. The Customer shall store the resulting sole proprietorship or co-ownership for the Seller.
7. The Customer also assigns to the Seller the claims for securing the claims of the Seller against it which arise through the combination of the purchased goods with a property against a third party.
8. The Seller undertakes to release the collateral due at the Customer's request insofar as the realizable value of its collateral exceeds the claims to be secured by more than 10%; the choice of securities to be released is incumbent upon the Seller.

IX. Applicable law - Jurisdiction

1. The law of the Federal Republic of Germany applies to these Sales Conditions and all legal relations between the Customer and the Seller. The application of the United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods is excluded.
2. If the Customer is a merchant, a legal person of public law or a special-purpose entity organised under public law, exclusive jurisdiction for all disputes arising from the contractual relationship is the place of business of the Seller. The Seller is, however, also entitled to bring an action at the place of performance of the delivery or service obligation or at the place of business of the Customer at its discretion.