General Terms and Conditions

Sales and delivery conditions of the Muller Textiles Group

- I. General area of validity
- 1. The following General Terms and Conditions apply to all current and future business relationships with our customers, who are entrepreneurs in the sense of § 14 BGB (Civil Code).
- 2. Diverging, contradicting or additional General Terms and Conditions are not integral to the contract, even on our knowledge, unless we have expressly agreed in writing to their validity or we have agreed their validity in writing.

II. Conclusion of the contract

- 1. Our offers are non-binding regarding the quantities, delivery terms and option. Technical changes as well as changes in designs, colours and/or weight are reserved within the scope of the reasonable.
- 2. With the order of a good the customer bindingly declares his will to acquire the ordered good. We are entitled to accept the contractual offer in the order within two weeks after its receipt. The acceptance may either be in writing or with the delivery of the goods to the customer.
- 3. The relevant conclusion of the contract is under reserve of the correct and timely delivery on the part of our supplier. This only applies to the case that we are not responsible for the non-delivery, in particular in the case of the conclusion of a congruent hedging transaction with our supplier. We will inform our customer immediately about any non-availability. Any return service already provided will be refunded immediately.

III. Prices

Price changes are reserved if more than 4 months lie between the conclusion of the contract and the agreed delivery date. If wages, material costs or market-related acquisition costs increase in the meantime we are entitled to increase the price adequately in accordance with the increase of the costs. The customer is entitled to withdraw if the price adjustment does not only insignificantly exceed the increase of the general costs of living between the time of ordering and the delivery.

IV. Delivery

- 1. The dispatch of the goods is principally at the cost and risk of the customer, unless other provisions have been agreed in our offer or our offer confirmation. We will not take out a separate transport insurance for the dispatch. If the customer requires a relevant insurance of the goods he must personally commission or order and pay for the same.
- 2. With the handing over of the goods to the selected forwarder the risk of accidental loss or depreciation of the goods is passed to the customer.
- 3. Dispatch costs and postage are calculated on the basis of the tariffs as applicable. Any required packaging material is charged at the acquisition price.

V. Retention of title

- 1. We reserve the proprietary right to the goods to the full satisfaction of all claims from the current business relationship.
- 2. The customer is obliged to treat the goods carefully.

- 3. The customer is obliged to notify us immediately of any access of third parties to the goods, for example in the event of pledge, or of any other damages or the destruction of the goods. The customer must report immediately the change in ownership of the good as well as of any change in his personal address.
- 4. In the event of the customer breaching the contract, in particular in the event of delayed payments or the breaches of his obligations from the Clauses 3. and 4., we are entitled to withdraw from the contract and to demand the return of the goods.
- 5. The customer is entitled to sell on the goods in the process of an orderly business transaction. For this event he herewith already assigns to us all claims to the amount invoiced, which arise from his sale to a third party. We accept this assignment. Even after the assignment the customer remains entitled to collect the claims. We reserve the right to collect the claim ourselves, as soon as the customer does not fulfil his payment obligations orderly and if he falls in arrears. In this event we will disclose the existing assignment towards the customer's contractual partner.
- 6. The processing and reworking of the goods on the part of the customer is always on our behalf and by our order. If the processing is with objects that do not belong to us we acquire the joint ownership of the new object in the ratio of the value of the good we supplied to the other processed objects. The same applies if the supplied good is mixed with other objects that do not belong to us.

VI. Guarantee

- 1. In the event of defects on the goods we provide improvements or replacement deliveries at our discretion.
- 2. If this supplementary performance fails the customer may principally at his discretion request a reduction of the compensation (reduction) or revocation from the agreement (withdrawal). The customer does not have the right to withdraw in the event of slight violation of the contract, in particular for slight defects.
- 3. The customer must report obvious defects immediately after receipt and after immediate inspection of the goods; otherwise the assertion of claims from this guarantee is excluded. For the compliance with the term the timely dispatch suffices. The onus of proof lies with the customer for all claim conditions, in particular for the defect itself, the time of the discovery of the defect and for the timeliness of the notice of defects.
- 4. If due to a defect of title or a material defect the customer chooses to withdraw from the contract after the failure of a supplementary performance he is not entitled to compensation for damages for this defect. If after the failure of a supplementary performance the customer chooses to claim compensation for damages the goods remain with the customer, if this is reasonable. The compensation for damages is limited to the difference between the purchase price and the value of the defective object. This does not apply if we have maliciously caused the breach of contract.
- 5. For entrepreneurs the guarantee term is 1 year from the delivery of the goods. In relation to used objects the guarantee term is 1 year from the delivery of the goods for all customers. This does not apply if the customer has not notified us timely of the defect (cf. Clause 3.).
- 6. As a rule our product description only is agreed regarding the quality of the goods, unless a specified product description has been contractually agreed. Our public statements, praises or advertisements are no contractual description regarding the good's quality.
- 7. The customer does not receive quality guarantees with legal effect. The manufacturer's guarantees remain unaffected hereby.

VII. Limitations of liability

- 1. We do not assume any liability for slightly negligent breaches of insignificant contractual duties.
- 2. The above limitations of liability do not affect the customer's claims from the product liability. Furthermore, the limitations of liability do not apply for injuries to body or health or to loss of life, which we are responsible for.

- 3. The above limitations of liability also apply to slightly negligent breaches of duties on the part of our legal representatives or vicarious agents.
- 4. The customer's claims for damages due to a defect come under the statute of limitations after 1 year from the delivery of the goods. This does not apply if we may be accused of malice.

VIII. Payments

- 1. Our invoices are payable strictly net within 30 days after receipt. Any early payment discounts or other payment terms require a separate agreement.
- 2. We are entitled to demand adequate advance or partial payments if this corresponds to the contract processing and if the delivery we owe is partable.

IX. Default in payments

- 1. For payments after maturity interest for delay will be calculated to the amount of 8 percentage points above the respective ECB base interest rate.
- 2. Before the payment of payable amounts invoiced including the interest rates we are not obliged to further deliveries from current agreements.
- 3. If the customer is in arrears with a payment due or if significant deteriorations occur regarding his pecuniary circumstances we can demand cash payments for all outstanding deliveries before delivering the goods.

X. Applicable law

The Law of the Federal Republic of Germany applies exclusively. The regulations of the CISG (United Nations Convention on Contracts for the International Sale of Goods) do not apply.

XI. Protection provisions

We produce the technical and graphical installations required for the manufacture of the goods and charge the customer pro rata. This does not result in property rights and claims in favour of the customer. Without our permission our drafts and samples may not be reproduced, drawn or copied in any other way, distributed or used commercially without our consent. We exclusively reserve all exploitations rights. If for the production of the goods the customer supplies any personal templates or production regulations the relevant copyrights remains with him. If third parties assert claims due to any breaches of copyrights the customer exclusively is obliged and entitled to defend such covetous claims.

XII. Place of fulfilment

The place of fulfilment for both contractual parties is Wiehl.

XIII. Place of jurisdiction

The exclusive place of jurisdiction for all disputes from this contract is our business location. This also applies if the customer does not have a general place of jurisdiction in Germany or if his places of residence or habitual residence are not known at the time of the commencement of proceedings.

XIX. Final provisions

Should individual provisions of this contract or the above General Terms and Conditions be or become legally invalid in full or in parts, the validity of the remaining contractual provisions shall remain unaffected thereby. The fully or partially legally invalid provision shall be replaced with a provision, which achieves or nearly achieves the economic success of the legally invalid provision. Alternatively, the Law applies.