

**GENERAL TERMS OF BUSINESS**  
for business transactions with business enterprises  
and legal persons under public law or a special fund under public law



**1. Scope**

- 1.1 The following Terms of Business shall apply to all contracts, deliveries and performance between our contracting partners and us. The Terms shall also apply to all future business relations, even if they are not expressly agreed once again.  
By way of supplementation in the case of the sale of materials, the "Technical Terms of Delivery for the Sale of Materials", in their latest valid version in each case, shall be applicable in addition to these General Terms of Business.  
Deviating terms of our contracting partner shall not be binding for us if they have not been recognised by us in writing. We hereby expressly reject the orderer's purchasing terms.
- 1.2 Regarding the contents of contracts, reference is made to the wording which has been recorded in writing. Our staff are not authorised merely to conclude verbal agreements which are not recorded in writing. Consequently, provisions negotiated with our staff shall only be valid if they are confirmed by us in writing.
- 1.3 The validity of the law of the Federal Republic of Germany is agreed between the contracting parties.  
The application of the Hague Conventions of 01.07.1964 Relating to Uniform Laws on the International Sale of Goods and of UN Sales Law of 11.04.1980 (Article 6, CISG) is excluded.

**2. Offer, conclusion of the contract and scope of the delivery/performance**

- 2.1 Our offers are made without obligation.  
Contracts on the basis of orders shall only come into existence by our written confirmation.
- 2.2 Block orders are permissible in accordance with the above provisions. The details of block orders may be regulated in implementation provisions. If the detailed determination of the colour, width, quality and similar circumstances is left up to the purchaser, then the deadline for determination must be stipulated at the time of the conclusion of the contract.

**3. Prices**

- 3.1 Our prices are applicable ex works and without packing. If the cost factors alter until the execution of the order, then we reserve the right to adjust the prices.
- 3.2 The respective statutory rate of value added tax valid on the day of delivery (date of the delivery note) shall be levied on the prices.

**4. Payment**

- 4.1 The invoice shall be issued on the day of delivery or of provision of the goods. A deferment of the invoice due date (value date) is in principle excluded. If premature delivery is justified in the interest of the contracting partners, then the implementation provisions may stipulate exceptions from this regulation.
- 4.2 Invoices are payable:  
a) within 10 days from the date of issuing the invoice with 4% special prompt-payment discount;  
b) from the 11th to the 30th day from the date of issuing the invoice with 2.25% prompt-payment discount;  
c) from the 31st to the 60th day from the date of issuing the invoice net.  
Bills shall not be accepted; we accept cheques by way of provisional performance, not in lieu of performance.
- 4.3 From the 61st day after delivery (date of both delivery note and invoice), the purchaser shall owe interest in the amount of 8% over the base interest rate. The assertion of losses caused by default is reserved in the event of default.
- 4.4 We are entitled to assign our trade accounts receivable for financing purposes, which is why we have sold and assigned our receivables in the factoring procedure to Heller Finanz Service GmbH, Weberstrasse 21, D-55130 Mainz to which the payments are to be made.
- 4.5 In the case of deliveries and performance to orderers abroad, it shall be regarded as expressly agreed that all costs of bringing an action by the supplier in the event of default in payment by the orderer, both in court and out of court, shall be borne by the orderer.
- 4.6 Credits for cheques shall be valued on the day on which we can dispose of their equivalent value. The orderer shall bear all costs related to cheques.
- 4.7 The set-off or retention of payments is excluded; excepted are those cases in which the counter-claim  
a) is undisputed or  
b) has been recognised by declaratory judgment.
- 4.8 All our claims shall fall due immediately if the terms of payment are not met or if after the individual business transaction we become aware of circumstances which may reduce the orderer's creditworthiness. In such a case, we are furthermore entitled only to effect still outstanding deliveries against payment in advance or the provision of security or, after a reasonable additional period to effect performance, to withdraw from the contract or to demand damages due to breach of contract. We may moreover prohibit the resale of the goods supplied subject to reservation of title and demand their return or the transfer of the indirect possession at the orderer's expense and revoke the collection authorisation in accordance with Section 8.4.

**5. Delivery period**

- 5.1 Transactions for delivery by a fixed date are excluded.  
Delivery periods and delivery dates shall always only be regarded as approximations. The delivery period shall commence with the dispatch of the confirmation of order, however not before the furnishing of documents which are to be obtained by the orderer.
- 5.2 The delivery period has been met if the delivery item has left the plant by its expiry or readiness for shipment has been notified.
- 5.3 Events of force majeure shall entitle us to postpone the rendering of the performance by a reasonable period or to withdraw from the contract regarding the part which has not yet been performed. Equivalent to force majeure shall be strike, lock-out, mobilisation, war, blockade, export and import bans, raw material and fuel shortages, fire, traffic restrictions, operational breakdowns, transport disruptions or similar circumstances, also at our suppliers.  
Claims for damages by the orderer are excluded with the exception of intent or gross negligence on the part of the supplier.
- 5.4 We shall also not be responsible for the aforementioned circumstances if they occur at a time when default has already arisen. We shall notify the orderer of the start and end of such impediments as soon as possible.
- 5.5 If we ourselves are in default, the orderer must set us a reasonable additional period to effect performance. After the expiry of this period, the orderer may withdraw from the contract of sale in so far as production of the goods has not started by the expiry of the set period. Claims for damages arising from the non-compliance with the delivery periods are excluded with the exception of intentional or grossly negligent infringements.

**6. Passing of risk and shipment**

- 6.1 Risk shall pass to the orderer at the latest with the dispatch of the delivery parts, namely also if part deliveries are effected or if we have also assumed other services, e.g. shipment or transportation.
- 6.2 If shipment is delayed due to circumstances for which the orderer is responsible, then risk shall pass to the orderer from the day of the readiness for shipment.
- 6.3 Part deliveries and deviations from the order volumes of up to 10% are permissible to a reasonable degree.

**7. Warranty**

- 7.1 Claims of the orderer based on defects shall only exist if it has complied with its examination and defect notification obligations owed in accordance with Article 377 of the German Commercial Code in a due and orderly manner.  
The orderer must check our deliveries and performance for defects without delay after receipt. The delivery shall be regarded as authorised if objection is not raised in writing to defects within a period of one week from the date of the delivery note. If the orderer proves that the delivery has been received later than one week from the date of the delivery note, then a one-week period for raising objection in writing from the receipt of the goods shall be regarded as agreed. The date of receipt of the written complaint by the supplier shall determine whether the complaint has been made in due time. Defects which could not be discovered within this period in spite of extremely careful checking must be notified in writing without delay after discovery, at the latest, however, within 6 months after receipt of the goods.
- 7.2 All complaints are excluded after the supplied goods have been cut to size or if they have otherwise started to be processed.
- 7.3 Complaint may not be raised to usual trade or slight, technically unavoidable deviations regarding the quality, colour, width, weight, finish or design.  
Reference is in this respect also made to the regulations in the "Technical Terms of Delivery for the Sale of Top Quality Textiles and Machined Materials, drawn up by Mailleuro, the Association of the Knitwear Industries in the European Community". These terms may be inspected at our premises.
- 7.4 In the case of justified complaints, we shall effect at our option subsequent rectification or substitute delivery.
- 7.5 If subsequent rectifications or substitute deliveries fail, the purchaser may demand the rescission of the contract or a reduction of the price. Claims for damages are excluded.

**8. Reservation of title**

- 8.1 We as the seller reserve title to the supplied goods until payment in full of all claims, also claims which arise in future, from the business relationship, even if payments for specifically denoted claims are made. In the case of a current account, the reserved title shall be regarded as security for our balance claim.
- 8.2 Goods subject to reservation of title may only be sold in the ordinary course of business. This shall no longer apply if the orderer is in arrears with its obligations or if the orderer is insolvent, especially if an application for the institution of insolvency proceedings has been made, regardless of which party has made such an application.  
The orderer is not entitled to pledge the goods or to transfer them by way of security. An attachment by a third party must be notified to us without delay.
- 8.3 Every treatment, processing, mixing or joining by the purchaser shall be effected on our behalf, without us thus incurring liabilities.  
In so far as we do not already acquire ownership or co-ownership on account of statutory regulations, the orderer already now assigns to us in the amount of the invoice value of our goods subject to reservation of title co-ownership of the articles or stocks belonging to it and shall hold them in safekeeping for us with the care of a prudent businessman.
- 8.4 The orderer assigns all claims – including all balance claims from a current account – against third parties to which it is entitled in connection with the use of the goods subject to reservation of title, especially on account of resale or treatment or processing, in the amount of the invoice value of our goods to us.  
The assignment serves to secure all claims, especially also claims for damages, which we have against the orderer.  
The orderer is authorised to collect the assigned claims until such authorisation is revoked by us. The collection authorisation shall expire, even without express revocation, in the event of default or other signs of payment difficulties on the part of the orderer.
- 8.5 If the realisable value of the existing securities exceeds our claims overall by more than 10%, then we are obliged at the orderer's request to release securities accordingly of our option.
- 8.6 In the case of default in payment, the orderer is obliged at our request to provide all information without delay which is helpful for asserting our reservation of title rights and is especially obliged to furnish us with a list of the goods subject to reservation of title and their whereabouts.  
The orderer's right to possess the goods subject to reservation of title shall expire if it does not meet its obligations arising from the reciprocal business relations. In these cases, we are entitled to enter the orderer's plant site or other premises, to take possession of the goods subject to reservation of title and after notification to exploit them in the best possible manner. The proceeds shall be credited against the orderer's liabilities after the deduction of costs.

**9. Liability**

Our liability shall be exclusively determined according to the agreements concluded in these Terms.  
Claims for damages by the orderer against us or against our vicarious agents or vicarious agents with respect to tortious liability, irrespective of the cause in law, are excluded.  
This exclusion of liability shall not, however, apply in the case of intent or gross negligence or in cases in which according to the German Product Liability Act liability is applicable in the event of defects to the delivery item for physical injury or material damage to privately used articles.

**10. Place of jurisdiction**

The competent court at the supplier's domicile is agreed for all disputes arising from the contractual relationship, also for legal action due to bills and cheques.

**11. Final provisions**

The invalidity of one or several contractual terms shall not affect the validity of the other terms. An invalid provision is to be replaced by agreement of both contracting parties in such a way that the originally intended purpose is largely achieved.