

UNIFORM CONDITIONS OF THE GERMAN TEXTILE INDUSTRY

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§ 1 Scope

1. The standard conditions apply exclusively between merchants.
2. The following standard conditions of the German textile industry apply exclusively to all deliveries and services of the seller. The seller does not recognize the general terms and conditions of the buyer unless the seller has expressly agreed to their validity in writing. This also applies if the seller carries out the services without reservation in the knowledge of conflicting or deviating terms and conditions.

§ 2 Place of Performance, Delivery and Acceptance

1. Place of performance for all services from the delivery contract is the place of commercial establishment of the seller.
2. The goods are delivered from the domestic works. The buyer bears these shipping costs. The buyer can determine the carrier. The goods are uninsured to send. A shipping notification can be agreed.
3. Packaging costs for special packaging are borne by the buyer.
4. Sorted and, in the case of combinations, salable partial shipments must be promptly dispatched take place and must be announced in advance. Unsorted are only with the consent of buyer's right.
5. If acceptance does not take place on time as a result of the fault of the buyer, the seller has the right, at his option, after expiry of a after a period of grace of 12 calendar days, either to invoice the goods with immediate due date (backlog invoice) or to withdraw from the contract or to demand compensation.

§ 3 Jurisdiction

1. The place of jurisdiction (also for actions on bills of exchange and checks) is the location of a German commercial branch of one of the parties, at the option of the plaintiff. The plaintiff is also entitled to sue at the registered office of the specialist or cartel organization responsible for the seller. The court first seized is responsible.

§ 4 contract content

1. The goods are delivered on specific dates (working day or a specific calendar week). All sales are only concluded for certain quantities, articles, qualities and fixed prices. Both parties are bound by this. Commission transactions are not transacted.
2. Block orders are permitted and must be limited upon conclusion of the contract. The acceptance period may not exceed 12 months.

§ 5 Interruption of Delivery

1. In the event of force majeure, industrial action for which one of the contracting parties is not responsible and other operational disruptions that are not their fault and which have lasted or are expected to last longer than a week, the delivery or acceptance period will be automatically extended by the duration of the hindrance, but by no more than 5 weeks. The extension only occurs if the other party is immediately informed of the reason for the

hindrance as soon as it becomes apparent that the delivery or acceptance deadline cannot be met.

2. If the delivery or acceptance does not take place within the extended delivery or acceptance period in the cases mentioned in Section 1, the other contracting party can withdraw from the contract after a grace period of 12 calendar days to be set. Claims for damages are excluded in the cases of Section 1 if the respective contracting party has fulfilled its obligation according to Section 1.

§ 6 Subsequent delivery period

1. After the delivery period has expired, a subsequent delivery period of 12 calendar days is set in motion without explanation. After this period has expired, the buyer can withdraw from the contract by means of a written declaration. If the buyer wants to claim damages instead of performance, he must set the seller a 4-week period in writing after the agreed delivery period has expired. The statutory regulations on the dispensability of setting a deadline (§ 281 Para. 2, § 323 Para. 2 BGB) remain unaffected.
2. For stock goods ready for dispatch and NOS goods - "Never-out-of-Stock" - the subsequent delivery period is 5 working days. In the event of non-delivery, the buyer must be informed immediately. Otherwise, the provisions of Section 1 apply.
3. Before the expiry of the subsequent delivery period, claims by the buyer due to late delivery are excluded, insofar as Section 8 Nos. 2 and 3 do not apply.

§ 7 Complaints

1. In the case of obvious defects, notices of defects must be sent to the seller within 12 calendar days of receipt of the goods at the latest. The buyer must notify the seller of hidden defects immediately after their discovery.
2. After the delivered goods have been cut or processed in any other way, any complaints about obvious defects are excluded.
3. Minor, technically unavoidable deviations in quality, color, width, weight, finish or design do not constitute a material defect. This also applies to deviations customary in the trade, unless the seller has declared in writing that the delivery will be true to the sample.
4. In the case of justified notices of defects, the buyer has the right, at the discretion of the seller, to rectification or delivery of replacement goods free of defects within 12 calendar days after receipt of the goods. In this case, the seller bears the freight costs. If the supplementary performance fails, the buyer only has the right to reduce the purchase price or to withdraw from the contract, unless Section 8 Nos. 2 and 3 apply.
5. If the notice of defects is not made in due time, the goods are deemed to have been approved.

§ 8 Compensation

1. Claims for damages by the buyer are excluded unless otherwise stipulated in these conditions.
2. The exclusion in clause 1 does not apply if there is liability under the Product Liability Act, in the event of intent, gross negligence on the part of owners, legal representatives and executives, fraudulent intent, non-compliance with a guarantee given, culpable injury to life, limb or property health or culpable violation of essential contractual obligations; Essential contractual obligations are those whose fulfillment characterizes the contract and on which the buyer can rely. However, a claim for damages due to a breach of essential contractual obligations is limited to the contractually typical and foreseeable damage, unless there is another case mentioned in sentence 1.

3. A change in the burden of proof to the detriment of the buyer is not associated with the above regulations.

§ 9 Payment

1. The invoice is issued on the day of delivery or provision of the goods. Postponing the due date (value date) is generally excluded. Invoices are payable: within 10 days after invoicing and dispatch of goods with 4% express account
2. from the 11th to the 30th day after invoicing and shipment of the goods with a 2.25% discount
3. net from the 31st to the 60th day after invoicing and dispatch of the goods. From the 61st day there is a delay in accordance with Section 286 Paragraph 2 No.1 BGB. If bills of exchange are accepted by the seller instead of cash, checks or bank transfers, a surcharge of 1% of the bill of exchange amount will be charged when the bill of exchange is accepted after the net target of 61 days from the date of invoicing and dispatch of the goods.
4. 4. Instead of the above regulation, the following regulation can be made, provided the buyer commits to this for at least 12 months: Invoices to be paid with a 4% discount on to be paid with a 2.25% discount on to be paid net on the 1st – 10th of a Month 15th of the same month
5. of the next month 5th of the month after next 11th – 20th of a month 25th of the same month 15th of the next month 15th of the month after next 21st – end of month of a month 5th of the next month 25th of the next month 25th of the month after next Monthly Sections 1-3 apply accordingly to the type of settlement. 5. Changes to the regulation method must be announced 3 months in advance.
6. Payments are always used to settle the oldest due debt items plus the default interest accrued on them.
7. The final credit to the seller's account is decisive for the timeliness of the payment.

§ 10 Payment after the due date

1. In the case of payments after the due date, interest of 9 percentage points above the respective base interest rate within the meaning of Section 247 of the German Civil Code will be charged. For the rest, § 288 BGB applies.
2. The seller is not obliged to make any further delivery from current delivery contracts before full payment of the invoice amounts due including interest. We reserve the right to assert claims for damages caused by delay.
3. In the event of a significant deterioration in the financial situation, such as imminent insolvency or default in payment, the seller can refuse the service incumbent on him for all delivery contracts that are based on the same legal relationship, or withdraw from these delivery contracts after setting a grace period of 12 calendar days. For the rest, § 321 BGB applies. § 119 InsO remains unaffected.

Section 11 Set-off and retention

The offsetting and retention of due invoice amounts is only possible with undisputed or legally established claims, insofar as they are this does not concern claims for damages that are closely related stand by the buyer's claim for defect-free fulfillment of the contract.

§ 12 Retention of title

1. The goods remain the property of the seller until full payment of all claims from the delivery of goods from the entire business relationship, including ancillary claims, claims for damages and cashing of checks and bills of exchange. The retention of title also remains in place if individual claims of the seller are included in a current account and the balance is drawn and acknowledged.
2. If the reserved goods are combined, mixed or processed by the buyer to form a new movable item, this is done for the seller without the seller being obliged to do so. By connecting, mixing or processing, the buyer does not acquire ownership of the new item in accordance with §§ 947 et seq. BGB. In the event of connection, mixing or processing with items not belonging to the seller, the seller acquires co-ownership of the new item in the ratio of the invoice value of his reserved goods to the total value.
3. If a central settlement office is involved in the transaction between seller and buyer, which takes over the *del credere*, the seller transfers ownership to the central settlement office when the goods are dispatched with the condition precedent that the purchase price be paid by the central settlement company. The buyer is only released when payment has been made by the central regulator.
4. The buyer is only entitled to resell or further processing under consideration of the following conditions
 - a) The buyer may only sell or process the reserved goods in the ordinary course of business, provided that his financial situation does not subsequently deteriorate significantly.
 - b) The buyer hereby assigns the claim with all ancillary rights from the resale of the reserved goods - including any balance claims - to the seller. The seller accepts this assignment.
 - c) If the goods have been combined, mixed or processed and the seller has acquired co-ownership of this in the amount of the invoice value, he is entitled to the purchase price claim in proportion to the value of his rights to the goods.
 - d) If the buyer has sold the claim in real factoring, the buyer assigns the claim against the factor that replaces it to the seller and forwards the proceeds of the sale to the seller in proportion to the value of the seller's rights to the goods. The buyer is obliged to disclose the assignment to the factor if he is more than 10 days overdue in paying an invoice or if his financial circumstances deteriorate significantly. The seller accepts this assignment.
 - e) The buyer is authorized to collect the assigned claims as long as he meets his payment obligations. The authorization to collect expires if the buyer defaults in payment or if the buyer's financial situation deteriorates significantly. In this case, the seller is hereby authorized by the buyer to inform the customer of the assignment and to collect the claims himself. In order to assert the assigned claims, the buyer must provide the necessary information and allow this information to be checked. In particular, he must provide the seller with a precise list of the claims to which he is entitled with the names and addresses of the customers, the amount of the individual claims, the invoice date, etc. upon request.
5. If the value of the security existing for the seller exceeds all claims by more than 10%, the seller is obliged to release securities of his choice at the request of the buyer.
6. Pledging or assignment as security of the reserved goods or the assigned claims are not permitted. The seller is to be informed immediately of seizures, stating the name of the seizure creditor.
7. If the seller takes back the delivery item in exercising his right of retention of title, this does not automatically constitute a withdrawal from the contract. The seller can satisfy himself from the reserved goods taken back by private sale.
8. The buyer keeps the goods subject to retention of title for the seller free of charge. He has to insure them against the usual risks, such as fire, theft and water, to the usual extent. The

buyer hereby assigns to the seller his claims for compensation to which he is entitled from damage of the above type against insurance companies or other parties liable to pay compensation, in the amount of the invoice value of the goods. The seller accepts the assignment.

9. All claims and rights from the retention of title to all special forms specified in these conditions remain in place until full release from contingent liabilities (cheque bill) that the seller has entered into in the interest of the buyer. In the case of sentence 1, the buyer is generally permitted to operate factoring for his outstanding accounts. However, before entering into contingent liabilities, he must inform the seller of this.

Section 13 Applicable Law

The law of the Federal Republic of Germany. The convention of United Nations on contracts for the international sale of goods 04/11/1980 is excluded.