

General Terms and Conditions of Wilhelm Kneitz AG, Textilwerke, Wirsberg as of July 2021

§ 1 Scope

1. The unified conditions apply exclusively between traders.
2. The following unified conditions of the German textile industry apply exclusively to all the Seller's supplies and services. The Seller does not recognise the Buyer's general terms and conditions unless the Seller has expressly consented to their validity in writing. This also applies if the Seller performs the services without reservation in the knowledge that some terms and conditions conflict with or deviate from these standard terms and conditions.

§ 2 Place of performance, delivery and acceptance

1. The place of performance for all services in the supply agreement is the location of the Seller's trading establishment.
2. The delivery of the goods takes place ex domestic works. The shipping costs are borne by the Buyer. The Buyer can choose the carrier. The goods are to be despatched uninsured. A shipping notification can be agreed upon.
3. Packaging costs for special packaging are borne by the Buyer.
4. Sorted and, in the case of combinations, partial shipments ready for sale must be made promptly and must be announced in advance. Unsorted items are only permitted with the Buyer's consent.
5. If due to the fault of the Buyer, acceptance does not take place on time, the Seller has the right to choose, after a grace period of 12 calendar days, to invoice the goods with an immediate due date (invoice for arrears) or withdraw from the contract or demand compensation.

§ 3 Place of jurisdiction

The place of jurisdiction (including for bills of exchange and actions regarding cheques) is, at the choice of the plaintiff, the location of one of the parties' German trading establishments. The plaintiff is also entitled to sue at the registered office of the specialist or cartel organisation responsible for the Seller. The court called first is responsible.

§ 4 Content of the contract

1. The goods will be delivered on specific dates (working days or a specific calendar week). Sales are only concluded for specific quantities, items, qualities and fixed prices. Both parties are bound by this. Commission business is not carried out.
2. Block orders are permitted and must be limited in time when the contract is concluded. 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 non-culpable operational disruptions that have lasted or are likely to last longer than a week, the delivery or acceptance period will be extended by the duration of the hindrance, but no longer 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 clear 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 Clause 1, the other contracting party can withdraw from the contract after a grace period of 12 calendar days.

3. Claims for damages are excluded in the cases of Clause 1 if the respective contracting party has fulfilled its obligation in accordance with Clause 1.

§ 6 Delivery period extension

1. After the delivery period has expired, a delivery period extension of 12 calendar days is set in motion without a declaration. 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, they must set the Seller a 4-week deadline in writing after the agreed delivery period has expired. The statutory regulations on the dispensability of setting a deadline (German Civil Code § 281 (2), § 323 (2)) remain unaffected.
2. For stock goods ready for despatch and NOOS goods - "Never-Out-Of-Stock" - the delivery period extension is 5 working days. The Buyer must be informed immediately in the event of non-delivery. In addition, the provisions of Clause 1 apply.
3. Before the expiry of the delivery period extension, claims of the Buyer due to late delivery are excluded, as far as § 8 clauses 2 and 3 do not apply.

§ 7 Notification of defects

1. In the case of obvious defects, notifications of defects must be sent to the Seller no later than 12 calendar days after receipt of the goods. The Buyer must notify the Seller of hidden defects immediately after they are discovered.
2. After cutting or other processing of the delivered goods has started, any complaint about obvious defects is excluded.
3. Minor, technically unavoidable deviations in quality, colour, width, weight, finishing or design do not constitute a material defect. This also applies to customary deviations, unless the Seller has declared in writing that the delivery is true to the sample.
4. In the case of justified complaints, the Buyer has the right that the Seller, at their discretion, either reworks the goods or delivers replacement goods free of defects within 12 calendar days after receipt. 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 § 8 Clauses 2 and 3 apply.
5. If the notification of defects is not made in due time, the goods are deemed to have been approved.

§ 8 Compensation for damages

1. Claims for damages by the Buyer are excluded unless otherwise stipulated in these terms and conditions.
2. The exclusion in Clause 1 does not apply if there is liability under the German Product Liability Act, in the event of intent, gross negligence on the part of owners, their legal representatives and executive employees, in the event of malice, in the event of non-compliance with an assumed guarantee, in the event of culpable injury to life and limb, or a culpable breach of essential contractual obligations. Essential contractual obligations are those whose fulfilment characterises the contract and on which the Buyer can rely. A claim for damages due to a breach of essential contractual obligations is limited to the contract-typical and foreseeable damage unless there is another case mentioned in Clause 3.
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 categorically excluded.
2. Invoices are payable strictly net within 10 days after the invoice has been issued and the goods have been despatched. From the 11th day, default occurs in

accordance with § 286 II No. 1 of the German Civil Code.

3. If the Seller accepts bills of exchange instead of cash, cheque or bank transfer, a surcharge of 1% of the bill amount will be charged when the bill is accepted after the net target of the 11th day from the date of invoicing and despatch of the goods.
4. Amendments to the regulation must be announced 3 months in advance.
5. Interest will not be granted under any circumstances.
6. Payments are always used to settle the oldest due debts plus the default interest accrued on them.
7. In any case, the postmark is decisive for the day the payment is processed. In the case of bank transfers, the day prior to the crediting of the Seller's bank is deemed to be the day on which the payment is processed.

§ 10 Payment after the due date

1. For payments after the due date, interest of 9 percentage points above the respective base rate within the meaning of § 247 of the German Civil Code (BGB) is calculated. Otherwise, § 288 of the German Civil Code applies.
2. The Seller is not obliged to make any further deliveries under current delivery contracts before full payment of due invoice amounts including interest. The right to claim damages caused by default remains reserved.
3. In the event of a significant deterioration in financial circumstances, such as impending insolvency or default in payment, the Seller can refuse the performance incumbent on them for all delivery contracts based on the same legal relationship or withdraw from these delivery contracts after setting a grace period of 12 calendar days. Otherwise, § 321 of the German Civil Code applies. § 119 of the German Insolvency Code remains unaffected.

§ 11 Offsetting and retention

The offsetting and retention of due invoice amounts are only permissible with undisputed or legally established claims, provided that these are not claims for damages that are closely related to the Buyer's claim to the fulfilment of the contract without defects.

§ 12 Retention of title

1. The goods remain the property of the Seller until all claims from the delivery of goods from the entire business relationship have been paid in full, including ancillary claims, claims for damages, the cashing of cheques and bills of exchange. The retention of title also remains if individual claims of the Seller are included in a current invoice and the balance is drawn and recognised.
2. If the reserved goods are combined, mixed or processed into a new movable item by the Buyer, this is done for the Seller without them being obliged to do so. By combining, mixing or processing, the Buyer does not acquire ownership of the new item in accordance with §§ 947 ff. of the German Civil Code. If the goods are combined, mixed or processed with items that do not belong to the Seller, the Seller acquires co-ownership of the new item based on the ratio of the invoice value of the goods subject to retention of title to the total value.
3. If a central regulating body is involved in the transaction between the Seller and the Buyer and takes over the del credere, the Seller transfers ownership when the goods are despatched to the central regulating body with the condition precedent that the purchase price is paid by the central regulator. The Buyer is only released once payment has been made by the central regulator.
4. The Buyer is only entitled to resell or further process subject to the following conditions:
 - a) The Buyer may only sell or process the reserved goods in the ordinary course of business, provided that their financial circumstances do not subsequently deteriorate significantly.

- b) The Buyer may only sell or process the reserved goods in the ordinary course of business, provided that their financial circumstances do not subsequently deteriorate significantly.
 - c) The Buyer hereby assigns the claim with all ancillary rights from the resale of the reserved goods - including any outstanding balance - to the Seller. The Seller accepts this assignment.
 - d) If the goods have been combined, mixed or processed and the Seller has acquired co-ownership in the amount of his invoice value, they are entitled to the purchase price claim in proportion to the value of their rights to the goods.
 - e) If the Buyer has sold the claim as part of real factoring, the Buyer assigns the claim against the factor that replaces it to the Seller and forwards the sales proceeds 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 they are more than 10 days overdue with the settlement of an invoice or if their financial circumstances deteriorate significantly. The Seller accepts this assignment.
 - f) The Buyer is authorised, as long as they meet their payment obligations, to collect the assigned claims. The authorisation to collect expires in the event of a payment default by the Buyer or a significant deterioration in the Buyer's financial situation. In this case, the Seller is hereby authorised by the Buyer to inform the customer of the assignment and to collect the claims themselves. For the assertion of the assigned claims, the Buyer must provide the necessary information and allow this information to be checked. In particular, they must provide the Seller with a detailed list of the claims to which they are entitled with the name and address of the customer, the amount of the individual claims, invoice date, etc.
5. If the value of the security existing for the Seller exceeds all of their claims by more than 10%, the Seller is obliged to release securities of their choice at the Buyer's request.
 6. Pledging or assignment by way of security of the reserved goods or the assigned claims is not permitted. The Seller is to be informed immediately of any attachments, stating the attachment creditor.
 7. If the Seller takes back the delivery item in exercising their right of retention of title, this does not automatically mean a withdrawal from the contract. The Seller can satisfy themselves from the taken back reserved goods by selling them privately.
 8. The Buyer keeps the reserved goods for the Seller free of charge. They must insure them, to the usual extent, against the usual risks, such as fire, theft and water. The Buyer hereby assigns their compensation claims, which they are entitled to due to losses of the above-mentioned types, against insurance companies or other parties obliged to pay compensation, to the Seller in the amount of the invoice value of the goods. The Seller accepts this assignment.
 9. All claims and rights from the retention of title to all special forms specified in these terms and conditions remain in place until they are fully released from contingent liabilities (cheque, bill of exchange) that the Seller has entered into in the interests of the Buyer. In the case of Clause 1, the Buyer is basically permitted to carry out factoring of their outstanding debts. However, they must inform the Seller of this before entering into contingent liabilities.

§ 13 Applicable law

The law of the Federal Republic of Germany applies. The United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980, is excluded.