

General Conditions of Sale and Delivery

pely-tex GmbH & Co. KG

§ 1 General

Our services and deliveries apply solely on the basis of these Conditions of Delivery and Payment. These also apply to all future business relations, even if they are not once again expressly agreed upon. We hereby expressly reject the Buyer's general terms and conditions of business to the contrary.

§ 2 Offer and conclusion of contract

1. Our offers are subject to change without notice. Contracts are therefore only brought about by way of our written confirmation of order or by way of delivering the goods. If the confirmation of order does not correspond with the order, the Buyer must object to it in writing within one week following receipt of the letter of confirmation. Otherwise, the contract shall be deemed brought about by way of the content of our confirmation of order.
2. Supplementary information and amendments regarding this agreement are subject to the written form in order to be deemed valid.
3. We are entitled to make technical alterations to the products and material insofar as they do not have a detrimental effect on the suitability for use, and such alterations are acceptable to the customer. Samples are only intended for illustration and are therefore non-binding. Insignificant variations in shade, quality and during the printing process are permitted.
4. The design and presentation of the Seller's products and its drafts and proposals in this respect remain the Seller's property. They may not be otherwise used or imitated to avoid claims for damages without the knowledge of and written approval by the Seller.

§ 3 Prices and payment

1. The prices stated in our offers are net prices are to be construed plus the respective, valid, value added tax and cost of special packaging requested by the Customer that may apply.
2. Unless otherwise agreed, our invoices fall due for payment immediately once they are sent out. The Buyer is to pay invoice amounts within 14 days from receipt of the goods, otherwise it shall be in default without us having issued a payment warning. Payment is deemed receipt of the money on our account. This also applies if we accept bills of exchange of cheques. However, we are not under obligation to do so.
3. If we become aware of circumstances, following conclusion of contract, that give us justified cause to doubt the Buyer's ability to pay or its creditworthiness, we may render the delivery conditional on advance payment of the purchase price and - if such an advance payment is not effected within a reasonable period set by us - withdraw from the contract.
4. The Buyer may only set off with undisputed or res judicata counter-claims. The Buyer is only entitled to exercise a right of retention insofar as its counter-claims refer to the same contractual relationship.
5. If an invoice is settled via a purchasing association, a central regulation / del credere department or a similar institution, this shall be subject to our express, prior, written approval. This also applies in the event of a change of such an institution.

§ 4 Offer and conclusion of contract

1. In the event of doubt, delivery periods shall commence on the date of our confirmation of order but not, however, before the Buyer honours its obligations to co-operation and an advance payment that has been agreed has been paid. Our delivery obligation shall be suspended as long as the Buyer defaults in its contractual obligations. The delivery period shall be deemed adhered to if the goods have left the warehouse or notification of readiness for dispatch is given up to expiry of such a period.
2. Subsequent periods must be set for us in writing. They shall only be deemed reasonable if they last at least two weeks prior to receipt of setting a subsequent period.
3. Risk shall pass to the Buyer upon sending the goods, even if we carry the shipping costs. If the shipping is delayed for reasons that are not our responsibility, risk shall pass to the Buyer upon providing notification of readiness to dispatch. In such a case, however, we shall enter into insurance policies requested by the Buyer at the Buyer's cost.
4. We shall pack the goods to be sent at our discretion in a manner that is customary in the trade. With the exception of empty pallets, as a general rule pallets shall not be taken back insofar as nothing to the contrary is agreed.
5. We are entitled to provide partial deliveries.
6. Returned goods shall not be accepted without prior approval by the Seller. Customised designs may not be returned.

§ 5 Force majeure

1. If our performance becomes temporarily impossible or is hampered because of force majeure or other extraordinary and unforeseeable circumstances, the agreed performance time shall be extended by the duration of such circumstances that hinder performance. The same applies to a period or additional period set by the Buyer for the performance. Prior to expiry of the extended performance period, the Buyer shall neither be entitled to withdraw from the contract nor claim for damages. If the period in which the performance is hindered lasts longer than 2 months, the Buyer and we shall be entitled to withdraw from the contract insofar as it has not been executed. If the Buyer is entitled to withdraw from the contract as per agreement or by way of law without setting an additional period, the above shall not affect such a right.
2. Cases of force majeure are, in particular, deemed, was, war-like circumstances, mobilisation, import and export prohibitions and blockades. Other unforeseeable, extraordinary circumstances for which responsibility is not held are, in particular, transport obstructions, strikes, lock-outs and other industrial disputes, including if they affect our suppliers. We shall inform the Buyer of the start and end of such hindrances.

§ 6 Reservation of title

1. All supplied goods shall remain our property until payment in full of the purchase price. If the Buyer is a merchant, the goods shall remain our property until settlement in full of all claims resulting from the business association.
2. The Buyer is entitled to resell the goods that are our property (reserved goods) during the course or ordinary business activities. However, the Buyer assigns to us at this point in time all claims resulting from such reselling irrespective of whether or not it resells the reserved goods without or following processing or whether or not they are associated with a plot of land or movable items.
3. If the reserved goods are resold following processing or with other goods that are not our property, or linked with movable

- items, the Buyer shall assign to us its claims against its customers in the sum of the value of the reserved goods.
- 4.If the goods delivered by us are processed or finished, the processing or finishing of the reserved goods shall be carried out on our behalf in accordance with Section 950 BGB¹ without us being subject to liabilities. If the reserved goods are processed, linked or blended with other movable items, we shall acquire co-ownership of the new item in the proportion of the value of our reserved goods to that of the other items at the time of processing, linking or blending. The Buyer is to store the newly manufactured item on our behalf free of charge with the care that is customary in the trade.
 - 5.If the reserved goods or an item manufactured from such goods is become key element of the plot of land of a third-party, the Buyer assigns to us at this point in time its claims that take the place of the incorporated reserved goods, including all subsidiary rights up to the value of the goods delivered by us. If the reserved goods become a key element of a plot of land of the Buyer, and if the Buyer fails to honour its payment obligations to us, we shall be entitled to dismantle the reserved goods such that ownership of such goods shall, in turn, pass to us. The regulation of the above sentence 2 applies accordingly to items manufactured from the reserved goods insofar as these were not co-owned by a third-party prior to establishing the link to the plot of land.
 - 6.The Buyer is authorised to collect assigned claims. This does not affect our authority to collect assigned claims. However, we undertake not to take such action as long as the Buyer properly honours its payment obligations.
 - 7.The Buyer shall only be entitled to sell, process or install the reserved goods during the course of proper business transactions as long as it honours its payment obligations. Furthermore, such an authority shall expire if the Buyer's financial circumstances deteriorate considerably, in particular in the event of pending insolvency or in the case of filing an application for or the institution of insolvency proceedings regarding the Buyer's assets. In such cases the Buyer's authority to collect claims assigned to us shall also expire.
 - 8.At our request, the Buyer is to surrender a detailed list of the claims assigned to us, including names and addresses of its customers, claim amounts and invoice data, and provide us with all the information required to assert the assigned claims and permit a review of such claims.
 - 9.The Buyer shall gratuitously store the reserved goods. The Buyer is to insure by way of customary cover the reserved goods against customary risks, in particular theft, breakage, fire, water and other damage. The Buyer assigns to us the compensation claims against the insurer or another person to which it is entitled as a result of damage to the reserved goods in the sum of the current value of the goods. If the Buyer fails to furnish us with proof, at our request, without delay of the conclusion of an insurance contract, we shall be entitled to insure the reserved goods at the Buyer's cost.
 - 10.The Buyer is not entitled to pledge or transfer the reserved goods or the claims assigned to us by way of security. The Buyer is to inform us without delay of the seizure or confiscation of the reserved goods or the claims assigned to us by way of stating the pledgee.
 - 11.Asserting a reservation of title and pledging the delivery item by us are not deemed withdrawal from the contract. We are entitled to satisfy our obligations by way of selling taken back reserved goods in the open market.
 - 12.The reservation of title in all its forms described in the numbers 1 to 11 shall continue to apply until the full release from all contingency liabilities that we have entered into in the Buyer's interest. In the case of payment using the cheque-bill of exchange procedure, bill of exchange booking procedure or in other procedures in which we sign a bill of exchange accepted by the Buyer for the purpose of discounting as issuer and endorser, our claim for payment shall only expire, and ownership shall only pass, once the Buyer has cashed in all bills of exchange and ultimately rendered us exempt from our endorser's liability.
 - 13.We undertake, at the customer's request, to release the securities to which we are entitled insofar as the realisable value of our securities exceeds the claims that are to be secured by more than 10%. The selection of securities that are to be released is incumbent upon us.

§ 6 a Condition of the goods

1. The Seller shall be permitted excess deliveries or short deliveries of up to 10%.
2. The delivery of the fibre fleece material takes place according to running metres. The Seller reserves the right to deviations in the dimensions of +/- 2 % with the roll length, +/- 6 mm in the cutting width and +/- 10 % with the grammage of the fibre fleece material (determined from a 1 m x 1 m piece), if not otherwise agreed.
3. The Seller shall not be held liable for slight deviations in the condition of the fibre fleece materials, whether they involve the fibre length, fluctuations in colour or slight disparities in the fibre fleece material panel.

§ 7 Defects

- 1.Defects are all errors involving or damage to the supplied goods and all other variations from the quality agreed upon in the contract. These include wrong deliveries and quantity variations. Additional or shortfall quantities up to 10 % do not constitute defects. The quantity that is actually supplied is to be settled.
- 2.The Buyer must provide notification of obvious defects within 8 days following receipt of the goods. If the Buyer is a merchant, it must in addition honour the statutory obligations to inspect and provide notification of defects (Section 377 HGB²). All notification of defects is to be provided in writing by precisely describing the defect and delivery (details of package number) and by sending in sample vouchers and packing slips. The supplied goods shall be deemed authorised insofar as notification is not properly given of defects.
- 3.The Buyer may not resell or otherwise used goods about which complaints have been lodged or those that are clearly faulty. If the Buyer violates this obligation, we shall not be liable for damage based on the resale or other use. Furthermore, in such a case the Buyer is to carry the additional cost of rectifying a defect or, where applicable, reimburse us for such costs.
- 4.If the goods are faulty and are deemed not authorised, the Buyer may request a new delivery of fault-free goods subject to the return of the faulty goods.
- 5.A period set by the Buyer for a new delivery shall only be deemed reasonable if it last for at least three weeks. Any setting of periods is subject to the written form.

¹ German Civil Code

² German Commercial Code

6. The Buyer may only withdraw from the contract, reduce the purchase price or - subject to further conditions of the following Section 9 - assert a claim for damages if the statutory prerequisites are met.
7. The period of limitations for all the Buyer's rights regarding a defect in the supplied item is reduced to one year. This does not apply in cases of intent or gross negligence or to claims for damages regarding the loss of life, physical injury or detrimental effects on health. Furthermore, the reduction of the period of limitations shall not apply insofar as the Buyer has recourse because an action is brought against the Buyer or against a customer in the delivery chain by a consumer regarding a defect.

§ 8 Liability

1. We shall be liable in accordance with the statutory provisions for intentional or gross negligence violations of obligations and for damage caused by the loss of life, physical injury or detrimental effects on health. In other respects we shall only be liable if we violate an obligation that must be honoured if the contract is to be properly executed and which a customer can normally expect to be adhered to. Our liability is limited in terms of amount to typical average and foreseeable damage.
2. This limitation on liability applies accordingly to claims for damages other than contractual one, in particular claims resulting from unlawful acts, with the exception of claims in accordance with the German Product Liability Act, including in favour of our employees, representatives and vicarious agents.

§ 9 Place of performance and place of jurisdiction; applicable law

1. Wahlstedt is the place of performance and payment for all current and future claims resulting from the business associations.
2. If the Buyer is a merchant or an entity under public law or special federal funding, Wahlstedt is likewise the place of jurisdiction for all claims resulting from the contractual relationship. However, we are also entitled to bring an action at the court with jurisdiction for the Buyer's place of residence or registered office.
3. Solely German law applies to the contractual relationship by way of exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

§ 10 Storage of data

We hereby bring the Buyer's attention to the fact that we store its personal data we have collected in our EDP system for further business relations.

§ 11 Group set off clause

We are entitled to set off the Buyer's claims against claims to which other companies of the Pelz Group are entitled against the customer. Likewise in the capacity of creditor we are entitled to set off one of our own claims against a claim by the Buyer to which a company of the Pelz Group is entitled. The following companies are part of the Pelz Group:
Pelz Holding GmbH, W. Pelz GmbH & Co. KG, pely-plastic GmbH & Co. KG, pely-tex GmbH & Co. KG and Curatex GmbH.