

SALES, DELIVERY AND TERMS OF PAYMENT CONDITIONS

1.0 General

1.1 For all offers transacted by us, confirmations of order, deliveries, invoices and all further legal relationships entered with us stand as completed contracts with the conclusion of our delivery and terms of payment apply as an essential part. Possible divergent business relationships of the client are herewith explicitly contradicted. With the placement of an order, the client conclusively renounces application of his own possible business terms and conditions.

1.2 Special agreements that in effect alter or supplement our delivery and terms of payment conditions need in each case our explicit written confirmation.

1.3 Our agents are not in a legal position to submit for us declamatory acts or to operate in our behalf if they are not authorized explicitly by us on a case to case basis in writing. All transactions concluded through our agents are not binding for us until after first receiving our written confirmation.

2.0 Offers and Price

2.1 Our offers are always subject to change. They are offered fundamentally only in Euro, without value-added tax, including simple inland packaging respectively ex works, including loading from the manufacturer. In addition, the value-added tax is calculated in the legal amount.

2.2 All prices conform according to our respectively valid price lists. They reflect the respective material production and labor costs. If they should change during the processing of an order, we are authorized to demand an appropriate additional charge. Such a subsequent demand can result also for a not yet executed part of a delivery.

2.3 Dimensions, weight and the time of delivery, as well as diagrams, are only approximate, non-binding and without obligation in so far as they are not explicitly marked as obligatory. For estimates, illustrations, and other documents, we reserve the rights to the property and copyright. They may not be made available to third parties or reproduced.

2.4 Sketches, drafts and press proofs are calculated and billed separately, and remain in our property, even if the contract is not completed.

3.0 Delivery, Delivery Times, Forwarding, Risk of Passage

3.1 The delivery applies from the time that the transport company loads the shipment from the manufacturer. The delivery takes place at the cost of, and at the risk of, the client.

3.2 We are obligated to observe an arranged time of delivery. If the arranged time of delivery is overstepped for more than six weeks, the client can back out from the original agreement after the establishment of an appropriate extension of the purchase contract in writing. Any compensation because of default or because of delay is impossible. The client loses the right of rescission due to undeserved inability on our part, or on our suppliers, as well as acts of God. States of war, strikes, interruptions of organizational or commercial traffic, shortages of raw materials, official decrees, cases of acts of God, and all other circumstances which disturb or make impossible for us or our suppliers, directly or indirectly, to manufacture and/or deliver, free us for the duration of the disturbance from the obligation of the delivery. We can thereby later supply the missing quantities, however we are not obligated to do so. We can rescind the contract at our discretion without liability for damages.

3.3 The consequences of delivery are, if not explicitly arranged differently, at the cost of, and at the risk of the client. On the explicit wish, and for a fee, we mediate on behalf of the client the transport and/or the transport insurance of the product to be delivered without assumption of any responsibility. The postage freight and cartage costs disbursed for the client are to be settled immediately and without discount reductions.

3.4 The client's risk begins at the latest with the shipping from the manufacturer. This also applies if a freight-free or fob-delivery was arranged, or if the delivery is undertaken with a vehicle belonging to the company. If the delivery is delayed due to circumstances from which we have not authorized, the risk passes over to the client on the day of notification of the readiness of dispatch.

3.5 We are not liable for products shipped from a business inside Germany to foreign countries. We can demand an export voucher at any time.

4.0 Terms of Payment

4.1 Payments have to result according to the details of the contractual agreements, if there are no other arrangements, within 10 days from the day of presentation of the bill.

4.2 The bill is payable in Euro, in so far as nothing was arranged otherwise.

4.3 A postponement of the due date of the bill (validation) is impossible, unless it has been arranged with us previously.

4.4 Payment has to be in cash or through check or bank transfer. With a check or bank transfer, the payment applies on the day that the credit is registered on our bank account, provided that there is no incidence of return through the financial institution.

4.5 We reserve the right on a case to case basis, to grant acceptance of drafts or exchanges to the payee. Exchanges first apply as payment after their redemption; until then our demands have not been met and stand as forborne. With check / exchange - payment, the payment first applies after production of the redemption of the exchange. If the payment is assumed in a bill of exchange or other certificates of exchange, so fall the costs of the discounts, etc., in their full amount, on the buyer of the freight.

4.6 Withholding of payments or balancing of any counterclaims by the customer is impossible. Payments are always applied to the settlement the oldest due outstanding bill plus the accumulated interest on arrears. Advances on payments are paid with interest and only after, if in individual cases, a corresponding agreement was met with the buyer.

4.7 Payments after expiration are calculated with interest on arrears in the amount of 3% over the rate of the German Bundesbank. Until full payment of due invoiced amounts, including interest on arrears, we are not obligated to make further deliveries from any contract. If the buyer is behind schedule with a due payment, or enters into an essential deterioration of his financial circumstances, we can demand a cash payment for all outstanding deliveries from any contract under discontinuance of the arranged period allowed for payment before delivery of the product. Invoiced amounts from other deliveries then become immediately due.

5.0 Reservation of Rights of Proprietary

5.1 Checking Account / Balance Clause (Business Relations Clause)

The seller reserves the rights to the property of the product, until all demands of the seller against the buyer in the business relations, including the henceforth emerging demands, as well as from simultaneously or later concluded contracts, are settled. This also applies then, when individual or multiple demands of the seller are acknowledged and taken into consideration when there exists an outstanding balance in an open account.

5.2 Extended Reservation of Rights of Proprietary at Resale with Advance Transfer Clause

The buyer is authorized by the seller for the further disposal of the reserved goods in regular business only if he herewith has already now met all the demands which arise from the further disposal from the purchaser or incurred by third parties. The reserved goods are exclusively in the property of the buyer if and when they stand unprocessed or after processing or combining with other materials, they are so disposed, so has the buyer already now assumed responsibility for the further disposal and emerging demands, in the full amount, from the seller. In the event that the reserved goods of the buyer - if after processing / combining - together with disposed goods not belonging to the seller, the buyer has now become responsible for the demands emerging from the further disposal, in amount of the value of the remainder of the reserved goods, with all secondary demands and status. The seller assumes the cession. For the absorption of these demands, the buyer is also, after cession, obligated. The authority of the seller to make claims on the demands themselves remains hereof untouched, however, it does not obligate the seller to make claims on the demands, as long as the buyer follows his payment and other obligations duly. The seller can demand that the buyer gives him the canceled claims and makes their debtor known, makes the disclosure of all necessary statements, as well as surrenders the proper documents, and informs the debtors of the cession.

5.3 Extended Reservation of Rights of Proprietary with Processing Clause

The processing or reshaping of reserved goods is always undertaken through the buyer for the seller. If the reserved goods are processed with fixed objects or with objects in the sole property of the buyer, in which no extended reservation of proprietary rights exists, the right belongs to the seller that he, the seller, assumes the sole possession of the new matter. If the reserved goods are not processed with other

objects belonging to the seller, the seller is then in joint ownership of the new matter in the relationship to the value of the reserved goods to the other processed objects at the time of processing.

5.4 Check / Bill of Exchange Clause

If in connection with the payment of the purchasing price through the buyer a mutual or reciprocal responsibility of the seller is established, then that does not extinguish the reservation of rights of proprietary as well as this being the basis for demands from consignments before the redemption of bills of exchange through the buyer as drawees.

6.0 Right of Rescission

6.1 Except in case of unforeseen events within the meaning of the paragraph 3.2, we also maintain the right in the subsequent case, due to the impossibility of completing the order or a part of it, to be released and are authorized to rescind, fully or partially, from the contract. Due to the event of a such a resignation, the client can assert no claim for damages.

7.0 Acceptance

7.1 The client has to examine the goods immediately. We must have written notification of defects of the goods immediately on receipt. If we do not receive such notification within eight days upon receipt of the goods from us, then the goods are considered as duly delivered and accepted.

7.2 If the total quantity of an order is not accepted as agreed to by the client, then we can demand, after an appropriate deadline, further leans against delivery and damages because of default.

8.0 Warranty and Complaints

8.1 Transport damages and the thereby resulting flaws and/or blemishes must be officially ascertained immediately upon the reception of the goods through the postal, rail, and/or other carrier.

8.2 **Dissatisfied Customer's Complaints:** Customary or slight technically unavoidable deviations in the quality, color, width, the weight, the installation or the design are not subject to dissatisfied customer's complaints. Complaints regarding inferior grading and batch items are excluded from appeals. Complaints of all types must be made immediately after reception of the goods and sent to us through registered letter, at the latest, within 2 weeks. All complaints are excluded after cutting, or otherwise beginning the act of processing the delivered goods. With legitimate complaints, we have the right to improve the goods or to deliver substitute goods, free from claims of dissatisfaction, within an appropriate time limit. The provisions of the law apply to hidden defects.

8.3 **Returns** are only possible with our prior agreement.

8.4 **Delivery Time** commences from the day of the regulation of all details of the contract. It is always non-binding and accurate to the degree of probability that can be adhered to during a regular and orderly production run. Acts of God, industrial disturbances, official decrees as well as undeserved disruptions free us from the observance of specific times of delivery and authorize us to rescind, completely or partially, the contract. Therefore, damage claims of any kind can not be asserted. If due to the fault of the buyer the acceptance of the goods does not transpire in a timely manner, then we reserve the right, at our discretion, to either rescind, or after bestowing an extension of at the longest 10 days from the contract, to claim damages.

8.5 **After the Allotted Time of Delivery.** After the expiration of the time of delivery, an additional delivery time is set without notification

for 18 days in course. If the buyer wants to rescind the contract, then he must allow us an additional delivery time of a further 4 weeks, and inform us through registered letter that he threatens to rescind the contract at the end of the time limit. The time limit begins to run with the receipt of the letter.

8.6 **Damage Claims.** As far as damage claims can be asserted, these presuppose proof by the buyer that that the breach of contract was due to gross negligence committed by us. Damage claims made by the buyer from direct or indirect damages are limited to the amount of the purchase price, of our delivery, and/or in the case of a delay, to the unfulfilled part of our delivery.

8.7 Firm contracts are not transacted unless they are within the meaning of the standard terms and conditions the German textile industry .

9.0 Rights of Protection

9.1 The client alone is responsible for the verification of the accuracy of the reproduction of all designs, layouts and / or printer's copies in the respective countries.

9.2 The copyright and the right to reproduction, in any process and to any intended purposes, of our own layouts, designs, drafts, originals, film, and the such, belongs only to us. Reprints or reproductions, regardless of in which process, as well as from such types of deliveries which are not subject to a copyright or any other industrial legal protection, are not permissible without our authorization.

9.3 Engraved cylinders, printing plates, lithographs, film, and the like remain our property, even if it was listed in a separate bill. Foreign drafts, blocks (electrotypes), manuscripts and other documents are to be reclaimed within four weeks after the completion of the order. After this time, we no longer assume the responsibility for loss and damage.

10.0 Patent Rights

10.1 The client is obligated to examine and verify himself, even in other respective countries, whether through the application of the product and/or goods or actions of processing result in the infringement upon the rights of protection of third parties. We do not assume the assurance that applications are free from infringement upon other patents with the delivery of the goods.

11.0 Place of Fulfillment, Jurisdiction, Efficacy

11.1 The place of fulfillment for each delivery is the place of shipment. The place of fulfillment for the payment is Freilassing (Germany).

11.2 Exclusives jurisdiction for both parts, so far as legally permissible, is Traunstein (Germany).

11.3 German law applies for the contractual relationship, even if the client is foreign and/or has his place of business in a foreign country. The rights of the client from the contract are not transferable.

11.4 Should individual determinations or decisions of the contract or of these Sales, Delivery and Terms of Payment Conditions be, or become, ineffective, or in the individual case can not be legally arranged, then it thereby does not affect efficacy of the remaining determinations or decisions. With the situation of such a determination, the parties effectively move towards an arrangement with the knowledge of the defect at the point of time of the signing of the contract, to achieve mutual economic success.

11.5 Modifications and supplements of contracts with us are allowed to be effective only in their written form. Oral agreements are not collateral.

Storage of Data

We assure you with the knowledge that your data - as far as commercially essential, and within the permissible framework of the German National Regulations on the Protection of Data (Bundesdatenschutzgesetz §26) - is EDP stored and processed in moderation.