

W. Zimmermann GmbH & Co. KG – General Purchasing Terms and Conditions

1. General Information

- a) The following general business terms and conditions apply to all transactions with our suppliers and other vendors (contractual partners). The general business terms and conditions do not apply to transactions with consumers.
- b) We do not accept conditions of the contractual partner that contradict our general business terms and conditions, unless we have expressly agreed to the contractual partner's general business terms and conditions in writing on a case-by-case basis.
- c) All deviations from our general business terms and conditions require our approval. Amending individual conditions does not affect the validity of the remaining conditions.
- d) By accepting our orders, the contractual partner accepts our purchasing terms and conditions in full.

2. Order and Delivery

- a) Our orders are only valid when they are issued in text form. This also applies in case of amendments or additions. We are only bound by our order if it is confirmed by the contractual partner no later than within five working days (excluding Saturday) after it is received.
- b) Documents included by us on a case-by-case basis apply to the order. By accepting the order, the contractual partner confirms reviewing the documents to determine the type and scope of performance.
- c) The contractual partner is obligated to only deliver yarns and materials certified according to the Öko-Tex standard 100, product class I that do not contain substances included in the candidate list of "substances of very high concern" (SVHC) by the European Chemicals Agency (ECHA) according to Directive 1907/2006/EC (REACH). The candidate list is available on the ECHA website at <http://echa.europa.eu>.
- d) The delivery date specified by us on the orders is binding for the contractual partner and is calculated from the order date. If the contractual partner becomes aware that meeting the delivery date is not possible, we must be notified promptly with reasons and a new delivery date has to be agreed upon.
- e) The contractual partner has no right of retention, except in case of undisputed or legally established counter-claims.

3. Shipment and Packaging

- a) Shipment and packaging of the goods ordered by us is at the expense of the contractual partner, free of costs to the receiving station specified by us, which is the place of fulfillment.
- b) Packaging has to be adequate for safe transportation and must correspond to the respective applicable packaging directive. The amount of packaging must be limited to the essential minimum and, upon request, has to be returnable free of costs.
- c) Each shipment must be accompanied by a delivery note bearing the order number and supplier number. Waybills have to contain the same information and correspond to the delivery note.
- d) Partial deliveries are only permitted with our express agreement. Additional costs incurred due to partial deliveries shall be borne by the contractual partner.
- e) The risk of accidental perishing and accidental impairment of the goods only passes to us upon acceptance at our receiving station.

4. Claims for Defects, Liability

- a) The contractual partner has unlimited liability for the procurement of the delivery, and for the required subcontracted supply and performance – even without fault.
- b) The limitation period for our claims and rights due to defects is three years. For defects requiring supplementary performance, this limitation period starts over when supplementary performance is complete. Longer statutory limitation periods remain unaffected, as do additional provisions regarding the suspension of the statute of limitations as well as suspending and restarting limitation periods.
- c) We have the right to refuse acceptance of goods damaged during transportation. Return shipments of goods and replacement deliveries shall be at the expense and risk of the contractual partner.
- d) A notice of defects is deemed to have been submitted if externally apparent defects are reported within five working days after delivery. Defects that cannot be uncovered by taking samples are deemed to be concealed defects.
- e) If incoming inspections beyond the usual scope are required because of defective deliveries, the associated costs shall be borne by the contractual partner.

f) In case of simple negligence, we are only liable for the breach of essential contractual obligations. In this case, compensation for damages according to merit and amount is limited to losses that were reasonably foreseeable based on the circumstances at the time the contract was concluded. This does not apply in case of physical injury and the impairment of health.

h) Insofar as the contractual partner is responsible for a product defect the contractual partner is obligated to exempt us from third-party claims for compensation at first request, to the extent the cause is found in the contractual partner's domain and organisational area and the contractual partner is liable in relations to the outside world. In this case, the contractual partner is also obligated to reimburse us for expenditures incurred within the scope of a recall by us.

5. Usage Rights, Proprietary Rights and Nondisclosure

- a) Documents and other items provided by us within the scope of the order remain our property. After completion of the order, said items must be returned to us free to the door upon request. As long as the items are in safekeeping by the contractual partner, they must be insured against destruction or loss at the expense of the contractual partner.
- b) The contractual partner obligates itself to refrain from offering and delivering to other customers any goods that are manufactured especially according to our documentation.
- c) The contractual partner is required to ensure that its performance and our utilisation of its performance does not violate any patents or other third-party proprietary rights. The contractual partner exempts us and our customers from all claims for the utilisation of such proprietary rights. The contractual partner is obligated to obtain a corresponding license from the owner of the respective right at its expense and to provide us with usage rights.
- d) The contractual partner is obligated to treat our orders and all related business and technical details as trade secrets. Items and know-how provided by us may not be made accessible to third parties.

6. Invoice and Payment

- a) A separate invoice bearing our order number and the supplier number must be issued for each delivery.
- b) Payment by us is only issued following complete performance that is free of defects by the contractual partner, and after receipt of an invoice in proper form.
- c) For the calculation of the discount period, the day the goods are received by the receiving station specified by us shall apply. If the corresponding invoices are received by us later, the date the invoice is received shall apply.
- d) Payment of the invoice by us does not constitute acknowledgement of proper contractual performance.
- e) We make payments exclusively to the contractual partner. The contractual partner is not authorised to assign its receivables from us to third parties.

7. Unforeseen Disruptions

- a) Business disruptions due to force majeure, strikes or raw material shortages that were not foreseeable by us at the time the order was placed and are contrary to our will entitle us to delay acceptance and payment of the goods for the duration of the disruption.
- b) In case of apportioned contracts with a term of more than one year, the preceding disruptions entitle us to cancel the contract subject to a three-month term of notice if using the goods to be delivered should be permanently impossible for us.
- c) We shall promptly notify our contractual partner of such disruptions.

8. Final Provisions

- a) The laws of the Federal Republic of Germany shall apply without the rules regarding the conflict of law. Regulations of superseding law that take precedence and are mandatory remain unaffected. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply.
- b) The sole jurisdiction for all disputes arising in the context of the contractual relationship is our place of business.
- c) Should the contract including these general business terms and conditions be or become ineffective in whole or in part, the validity of the remaining provisions shall remain unaffected.