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General Terms and Conditions

A. Applicability of the General Terms and Conditions of TEXTUM

B. Purchasing and Engagement Terms

C. General Terms and Conditions of Service

A. Applicability of the General Terms and Conditions of TEXTUM

in foreign-language, i.e. non-German, versions of these Terms and Conditions.

A.1

These Terms and Conditions shall apply to all business relationships between **TEXTUM** and its contracting partners, even if specific reference to the Terms and Conditions is no longer made in individual transactions, provided that the contracting party is an entrepreneur (Section 14 of the German Civil Code (BGB)), a legal entity under public law or a special fund under public law.

In these Terms and Conditions, the term "contracting parties" refers to parties that conduct business with **TEXTUM** as service providers and/or customers.

A.2

These Terms and Conditions apply at all times and exclusively. Deviating, conflicting or supplementary general terms and conditions of the contracting party shall become part of the contract only if and insofar as **TEXTUM** has expressly approved their applicability in writing. We hereby expressly reject any conflicting non-assignment clause.

Individual agreements concluded with the contracting party in individual cases (including collateral agreements, supplements and amendments) shall always have priority over these Terms and Conditions. In the absence of evidence to the contrary, a written contract or the written confirmation of **TEXTUM** shall be authoritative as far as the content of such agreements is concerned.

A.3

References to the applicability of statutory regulations are for clarification purposes only. Statutory regulations thus apply even without such clarification, provided they are not directly modified or expressly excluded in these Terms and Conditions.

A.4

The same words can have different meanings in different legal systems. The German legal meaning of the respective words shall be decisive

B. Purchasing and Engagement Terms

B.1

The engagement and purchase orders placed by **TEXTUM** shall be governed exclusively by the Purchasing and Engagement Terms of **TEXTUM**.

B.2

Unless otherwise specified in these Terms and Conditions, all engagement and purchase orders placed by **TEXTUM** shall be settled **exclusively** on the basis of the legal provisions.

TEXTUM is entitled to assign the claims arising under its business relationship. The supplier is not permitted to transfer the rights and obligations arising under the purchase order to third parties without the written approval of **TEXTUM**. This does not apply to the advance assignment of the purchase price claim within the scope of an extended retention of title.

B.3

Subject to the condition that the invoice will be reviewed later on, payments of **TEXTUM** are made

- within 14 days of the receipt of the invoice less 3% cash discount
- or within 30 days without a discount.

B.4

If goods arrive prematurely, the invoice shall be valued as of the delivery date contractually requested by **TEXTUM**. The value date will be deemed to be the date of receipt of the invoice.

B.5

In the case of defective goods or services or partial delivery in breach of contract, the invoice shall be valued as of the date of flawless or complete delivery. The valuation date shall be regarded as the effective date of receipt of the invoice.

B.6

The contractual partner of **TEXTUM** shall provide warranty and compensation for damages in the statutory scope and for the statutory period.

B.7

B.7.01

In addition to claims for defects, **TEXTUM** is entitled without limitation to the right of recourse within a supply chain as provided by law (supplier recourse pursuant to Sections 445a, 445b, 478 German Civil Code (BGB)). In particular, **TEXTUM** is entitled to demand exactly the same type of subsequent performance (repair or replacement) from the supplier that **TEXTUM** owes its customers in individual cases. **TEXTUM's** statutory right of choice (Section 439 (1) German Civil Code (BGB)) is not restricted thereby.

B.7.02

Before **TEXTUM** recognises or fulfils a claim for damages asserted by its customers (including reimbursement of expenses pursuant to Sections 445a (1), 439 (2) and 3 German Civil Code (BGB)), **TEXTUM** will notify the supplier, providing a brief statement of the facts, and ask for a written statement. If no substantiated statement is provided within a reasonable period of time and an amicable solution cannot be found, the warranty actually provided by **TEXTUM** shall be deemed to be owed to its customer. In this case, the supplier bears the burden of proving otherwise.

B.7.03

The claims of **TEXTUM** arising from supplier recourse shall apply even if the defective goods have been further processed by **TEXTUM** or another contractor, e.g. by incorporation into another product.

B.8

The place of performance for all goods and services shall be the destination designated by **TEXTUM**.

B.9

The courts of Bünde, Germany, shall have jurisdiction for all disputes arising from or in connection with the contractual relationship between the contracting party and **TEXTUM**.

In the aforesaid case, **TEXTUM** may also bring action against the contracting party at its domicile.

This shall not affect overriding statutory provisions, in particular pertaining to exclusive competence.

B.10

The laws of the Federal Republic of Germany shall apply, to the exclusion of international uniform law, including but not limited to the UN Convention on Contracts for the International Sale of Goods (CISG).

C. General Terms and Conditions of Service

C.1. Conclusion and Subject Matter / Assignment of Claims / Prohibition of Assignment

C.1.01

The following regulations shall apply if **TEXTUM** delivers goods or performs services.

C.1.02

All offers of **TEXTUM** are non-binding and subject to confirmation. No contract shall come into being as the result of the customer placing an order, even if the order refers specifically to an offer. This only occurs by means of a written confirmation of order from **TEXTUM** or delivery of the goods to the customer.

C.1.03

Only the written confirmation of order from **TEXTUM** – if necessary in connection with the specifications and/or design drawings – shall be authoritative for the content of the respective contract. Verbal agreements in connection with the conclusion of contracts with employees of **TEXTUM** who are not authorised to represent the company require the written confirmation of **TEXTUM**.

C.1.04

The customer must provide **TEXTUM** with all information and documents required or useful for the provision of the contractually agreed services. If specifications are prepared and presented to the customer for examination and approval, these specifications shall bindingly establish the scope of services for both sides.

C.1.05

With regard to Section 434 I, clause 2, No. 2 of the German Civil Code (BGB), it is clarified that the ordered goods are to be used only for the furniture industry. Lots-dyed goods are to be processed in lots. Colour deviations of colour distance up to Delta E 5,0 are considered to be customary in the trade and thus reasonable as regards performance.

C.1.06

Information on characteristics of the products and services of **TEXTUM** shall be attributed to **TEXTUM** only if this information

- originates from **TEXTUM** or is provided at the express order of **TEXTUM** , or
- is expressly authorised by **TEXTUM** , or
- are public statements and **TEXTUM** knew or should have known of these statements and did not distance itself from them within a reasonable period.

Assistants of **TEXTUM** within the meaning of Section 434 (1) of the German Civil Code (BGB) do not include authorised dealers and customers of **TEXTUM** who act as resellers. Adequate correction of information on characteristics within the meaning of Section 434 (1) of the German Civil Code (BGB) may in any case be made on the home page of **TEXTUM** at the URL www.textum-stoffe.com.

C.1.07

TEXTUM shall be entitled to assign the claims arising from its Terms and Conditions of Business to the extent permitted by law.

C.1.08.

The customer is not entitled to assign claims – with the exception of outstanding debts – arising from the business relationship without the consent of **TEXTUM**.

C.2. Permanent Rights / Trademarks / Disclaimer

C.2.01

The designs, models, layout plans, general arrangement drawings and other drawings, text templates, etc. prepared by **TEXTUM** shall remain the intellectual property of **TEXTUM**, even if the customer has paid compensation for the work. The right to utilise these items and the intellectual properties they embody are exclusively reserved for **TEXTUM**.

C.2.02

TEXTUM is entitled to affix its own logos and trademarks. The customer is prohibited from removing such marks affixed by **TEXTUM**.

C.2.03

The customer is liable for ensuring that any templates, designs, plans, texts, trademarks, etc. provided by him may be legally utilised.

C.2.04

The customer shall release and indemnify **TEXTUM** against any and all third-party claims due to the breach of such intangible property rights arising from templates, designs, plans, texts, trademarks, etc. provided by the customer.

C.3. Shipment / Risk

C.3.01

Delivery is ex works. At the customer's request and expense, the goods shall be sent to a different destination ("Versendungskauf"). Unless otherwise agreed, **TEXTUM** is entitled to choose the type of shipment (in particular, the forwarder, shipping method, and packaging).

C.3.02

The place of performance for the delivery and any supplementary performance is the plant of **TEXTUM**.

C.3.03

The risk of accidental loss and accidental deterioration of goods shall pass to the customer at the latest upon delivery of the goods to the customer, or (in the case of "Versendungskauf") upon handover of the goods to the forwarder or other person charged with performing the shipment. Where acceptance has been agreed, this shall be decisive for the transfer of risk. Moreover, the statutory provisions of the law on contracts for work ("Werkvertrag") shall apply mutatis mutandis to the agreed acceptance. The date of delivery or acceptance shall be the same, if the customer is in default of acceptance.

C.3.04

Insurance will only be taken out on the delivery at the request and at the expense of the customer.

C.4. Delivery Time/ Fixed-Date Purchases / Default of Delivery

C.4.01

Delivery **dates** refer to a point in time, e.g. a specific day or a calendar week on which the delivery or service must occur.

Delivery **periods** refer to the period within which a delivery or service must occur.

Delivery **time** is the generic term for delivery dates and delivery periods.

C.4.02

All delivery **times** are subject to the proviso that the service is available at **TEXTUM**. If the service is not available (non-availability), **TEXTUM** will immediately inform the customer of this, notifying the customer of the anticipated new delivery **time**. If the service is not available within the new delivery **time** either, **TEXTUM** shall be entitled to rescind the contract in whole or in part; any consideration already paid by the customer will be refunded immediately. In this sense, belated delivery to **TEXTUM** by its suppliers where **TEXTUM** has concluded a congruent hedging transaction shall, in particular, in the absence of fault on the part of **TEXTUM** or its supplier or where **TEXTUM** is not obliged to procure the goods in individual cases, be regarded as non-availability of the service.

C.4.03

Unless expressly agreed otherwise, any agreed delivery **periods** shall apply ex works. Such delivery **periods** shall commence at the time specified in the order, however at the earliest once the documents, permits, call-offs and shipping addresses to be provided by the customer have been received, all details of the order have been clarified and the customer has made any agreed down-payments or furnished any agreed collateral.

C.4.04

As such, fixed-date purchases ("Fixgeschäfte") must be expressly agreed in writing.

C.4.05

If a delivery **period** has been agreed, this shall be duly extended if the customer is in arrears with the provision of any documents, permits, shipping address, down-payments or collateral to be furnished by the customer.

C.4.06

If a delivery **date** has been agreed, this shall be duly postponed if the customer is in arrears with the provision of any documents, permits, shipping address, down-payments or collateral to be furnished by the customer.

C.4.07

The postponement of delivery **dates** or the extension of delivery **periods** shall also take place if the preconditions for the services to be performed by **TEXTUM**, which must be fulfilled directly by the customer or by third parties, are not fulfilled in due time.

C.4.08

If the customer requests changes to the order after order confirmation, the delivery **period** shall commence only upon confirmation of the change by **TEXTUM**. The delivery **date** shall be postponed accordingly.

C.4.09

The delivery **time** shall be duly extended in the event of unforeseen hindrances that **TEXTUM** cannot avert despite exercising the diligence that can reasonably be expected under the circumstances, e.g. natural disasters, blockades, war, terrorist attacks, strike, lockout and other industrial unrest, confiscation, embargo, total or partial failure of subcontractors or other circumstances for which **TEXTUM** is not responsible, if not explicitly the risk of procurement has been assumed or a guarantee of delivery has been provided by **TEXTUM** exceptionally. **TEXTUM** may also rescind the contract in above case, provided that it is not only a temporary service hindrance.

C.4.10

The occurrence of default of delivery on the part of **TEXTUM** is determined according to the statutory provisions. However, in any case the customer must send a reminder.

C.4.11

If **TEXTUM** is in default of delivery, the customer may demand lump-sum compensation for the damage caused by the delay. The lump-sum compensation amounts to 0.5% of the net price (delivery value) for each full calendar week of delay, however a maximum of 5% of the delivery

value of the delayed goods. **TEXTUM** reserves the right to prove that the customer did not incur any damage at all or only considerably less damage than the above lump sum.

C.4.12

The rights of the customer pursuant Section C.10.02 of these General Terms and Conditions of Service and the statutory rights of **TEXTUM**, especially in the event of an exclusion of the duty to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance), remain unaffected.

C.4.13

Where permits to be furnished by **TEXTUM**, which are a precondition for a lawful delivery, are delayed or fail to be granted at all for reasons for which **TEXTUM** is not responsible, **TEXTUM** shall not be liable in this respect.

C.5. Partial Deliveries

C.5.01

Partial deliveries and partial performance are permissible to the extent that the customer can reasonably be expected to accept.

C.5.02

If **TEXTUM** makes use of its right to partial delivery or partial performance, payments for goods which have already been delivered or services which have already been performed cannot be withheld on these grounds.

C.5.03

If **TEXTUM** indisputably delivers partially defective goods, the customer is obliged to pay the defect-free portion, unless the customer is able to demonstrate that the partial delivery or partial performance is useless.

C.6. Prices

C.6.01

Unless otherwise agreed, the prices are quoted ex works/warehouse, exclusive of packaging.

Any other costs (packaging, freight, duties, etc) shall be charged separately.

C.6.02

In the case of "Versendungskauf", the customer bears the transport costs ex works or warehouse

and the costs of any transport insurance that may be required.

C.6.03

If packaging is required, **TEXTUM** will package the goods according to the existing regulations, in particular Section 15 of the German Packaging law (VerpackungG).

C.6.04

The prices and costs are subject to the applicable value-added tax.

C.7. Assignment of Accounts Receivable / Payment Terms / Offsetting / Deterioration of Financial Circumstances

C.7.01

TEXTUM's receivables from certain customers have been assigned to **BFS finance GmbH, Verl.** The customer may be informed of this assignment of accounts receivable in **TEXTUM's** invoice. In this case, payments with a debt-discharging effect can only be made to **BFS finance GmbH**. The account details are shown on the invoice.

C.7.02

Down-payments are subject to the provisions of the German Value-Added Tax Act (UStG).

C.7.03

Unless otherwise agreed, payments shall be due immediately and without deduction.

However, **TEXTUM** is also entitled at any time, even within the framework of an ongoing business relationship, to only carry out delivery, in whole or in part, against advance payment. **TEXTUM** shall issue a corresponding reservation at the latest with the order confirmation.

C.7.04

TEXTUM shall also be entitled to make the delivery of the goods dependent on contemporaneous performance ("Zug-um-Zug").

C.7.05

Not later than fourteen days after receipt of the invoice, the debtor shall automatically fall into arrears without a separate reminder being required.

C.7.06

If the customer defaults on more than one payment, all claims against the customer shall be due for immediate payment.

C.7.07

In case of default on the part of the customer, the valid statutory interest rate shall apply.

TEXTUM reserves the right to assert damages going beyond this.

C.7.08

The place of performance for payments is the registered office of **TEXTUM**.

C.7.09

The customer may only offset undisputed or legally established claims.

C.7.10

Except in cases under **C.7.09**, the customer does not have any right of retention.

The customer's rights pursuant to Section 320 of the German Civil Code (BGB) shall remain unaffected if and to the extent that **TEXTUM** has not complied with its warranty obligations.

C.7.11

Should the customer's financial situation deteriorate significantly after the conclusion of the contract or – if the customer's declaration of intent is required for the conclusion of the contract, after the last declaration of intent of **TEXTUM** with a view to the conclusion of the contract – **TEXTUM** may, at **its** own discretion, demand advance payment or collateral for all deliveries and services still to be performed under the same legal relationship (Section 273 of the German Civil Code (BGB)). If the customer does not comply with this demand, **TEXTUM** may rescind the said contracts or, after setting a deadline, claim damages in lieu of performance in the amount of 25% of the order total not executed, unless the customer furnishes evidence of lesser damage.

TEXTUM is only entitled to claim compensation for damages exceeding the lump sum only if exceptionally high damage is incurred in the

respective individual case, whereby the above lump sum is to be deducted from this claim.

C.8. Inspection and reporting obligation

The customer may only assert claims for defects if he has duly complied with statutory inspection and reporting obligations (§§ 377, 381 of the German Commercial Code, HGB) and Section C.8. of these provisions.

C.8.01

The goods and services of **TEXTUM**, including drawings, implementation plans, etc., must be inspected by the customer for their usability and correctness immediately upon receipt.

C.8.02

If a defect is discovered at the time of delivery, inspection or at any subsequent time, **TEXTUM** must be notified immediately in writing of the exact objections. In all instances, obvious defects must be reported in writing at the latest within 10 calendar days from the date of delivery and, in the case of defects that were not evident at the time of inspection, within the same period from the date of discovery, specifying the exact complaints.

C.9. Claims of the Customer for Defects (Warranty)

Warranty in the context of these Terms and Conditions means: Claims for deficient performance due to delivery of defective goods.

C.9.01

Unless stated otherwise below, the statutory provisions shall apply to the rights of the customer with respect to material defects and defects in title (including incorrect and short deliveries, faulty assembly or incorrect assembly instructions). The special statutory provisions governing deliveries of unprocessed goods to end-customers remain unaffected in all cases (supplier recourse pursuant to Section 478 German Civil Code (BGB)), even if they have further processed them. Supplier recourse claims are excluded if the defective goods were further processed by the customer or another company, e.g. by incorporation into another product.

C.9.02

If the customer does not comply with the inspection and reporting obligations according to Section **C.8.**, **TEXTUM** shall not be liable for any defects not reported.

C.9.03

The general limitation period for claims due to defects in quality and title is **12 months** from the delivery or, if an acceptance has been agreed, from the acceptance. The special statute of limitation remains unaffected (in particular, Section 438 (1) no. 1 and no. 2, (3), Sections 444 and 445b of the German Civil Code (BGB)).

C.9.04

The general limitation period of 12 months shall also apply to contractual and extracontractual claims for damages based on a defect of the goods.

However, this shortened period of limitation shall not apply

- if the damage was caused by intent or gross negligence of **TEXTUM** or its representatives or agents;
- in the case of damage from injury to life, body and health;
- in the event of a delay, if a fixed delivery date has been agreed;
- if a defect is maliciously concealed;
- if a guarantee has been provided and/or the risk of procurement or manufacturing in the meaning of Section 276 of the German Civil Code (BGB) has been assumed by **TEXTUM**;
- in cases of mandatory statutory liability, especially according to the German Product Liability Act (Produkthaftungsgesetz).

The aforesaid regulations do not involve any change of the burden of proof to the disadvantage of the customer.

C.9.05

If the warranty period is suspended or interrupted due to work performed or replacement deliveries by **TEXTUM**, such a suspension or interruption shall only apply to the functional unit affected by the replacement delivery or rectification.

C.9.06

In cases in which the customer has a right to supplementary performance, **TEXTUM** will first decide whether the supplementary performance is to take place through elimination of the defect (rectification) or through delivery of flawless goods (replacement delivery). The right to refuse supplementary performance under the statutory conditions remains unaffected.

C.9.07

TEXTUM does not provide any warranty for components supplied by the customer. Unless expressly agreed otherwise, the customer alone shall be responsible for the suitability and properties of such components.

C.9.08

In the event of the customer's non-compliance with the operating and maintenance instructions, it will be assumed that any damage incurred is the result of this. In this case, the burden of establishing the facts and the burden of proof to the contrary shall be on the customer.

C.9.09

TEXTUM may make the supplementary performance conditional upon the payment of the due purchase price by the customer. However, the customer may withhold a portion of the purchase price that is reasonable in proportion to the defect.

C.9.10

Work on goods delivered by **TEXTUM** or other services performed by **TEXTUM** shall only be considered defect elimination or rectification work,

- if the existence of the defect has been expressly acknowledged by **TEXTUM**
- or if defect reports have verifiably been submitted
- and if these verifiable defect reports are justified.

If these conditions are not met, such work shall be considered as extra performance.

C.9.11

Apart from this, rectification work or replacement deliveries by **TEXTUM** will be rendered as extra

performance, unless such expressly takes place in recognition of a legal obligation.

C.9.12

As a matter of principle, the expenses required for the inspection and supplementary performance, including but not limited to transport, travel, labour and material costs (Section 439 (2) of the German Civil Code (BGB)) will be borne by **TEXTUM** if a defect is actually present. Otherwise, **TEXTUM** may demand reimbursement of the costs incurred from the unjustified defect elimination request (including but not limited to inspection and transport costs), unless the non-existence of the defect was not obvious to the customer.

The liability for reimbursement of expenses of **TEXTUM** is otherwise in principle governed by the statutory provisions (in particular, Section 439 (3) BGB) for the costs of removal, installation or affixing of the defective item.

C.9.13

The customer shall give **TEXTUM** the required time and opportunity to perform the rectification and replacement deliveries owed under the warranty. The customer may only eliminate the defect directly or through third parties and demand reimbursement of the incurred costs from **TEXTUM** in urgent cases that threaten operational safety, to avert disproportionately high damage or if **TEXTUM** is in default of the elimination of a defect; in this case, **TEXTUM** shall be informed immediately (if possible in advance).

C.9.14

If the rectification has failed or if a reasonable period determined by the customer for the rectification has passed without success (Section 323 (1) or Section 281 (1) of the German Civil Code (BGB)) or is not necessary according to the statutory regulations (Section 323 (2) or Section 281 (2) of the German Civil Code (BGB)) or may be refused by **TEXTUM** pursuant to Section 439 (4) of the German Civil Code (BGB) or is unacceptable to the customer, the customer may rescind the contract. However, no right of rescission shall apply in the case of a minor defect.

C.9.15

The customer shall only have a right to a reduced price (reduction) if **TEXTUM** agrees to this.

C.9.16

Claims of the customer for damages or compensation of expenses made in vain are excluded even in the case of defects according to Section C.10.01 and shall only exist in the case of Section C.10.02 and this Section C.9.

C.10. Other Liability

C.10.01

Unless provided otherwise in these General Terms and Conditions and subject to Section C.10.02 below, any claims of the customer against **TEXTUM for damages and compensation of expenses are excluded, regardless of what the legal basis may be. In particular, this also applies to tort claims (e.g. Section 823 of the German Civil Code (BGB)).**

Insofar as the liability is excluded or limited, this also applies to the personal liability of the employees, staff members, representatives and agents of **TEXTUM.**

10.02

The limitation of liability according to Section 10.01 above shall not apply

- if the damage was caused by intent or gross negligence of **TEXTUM** or its representative or agents; in the case of culpable breach of material contractual obligations, in which case the damages shall be limited to the damage typical for the contract, which is foreseeable at the conclusion of the contract. Material contractual obligations are obligations that protect legal positions of the contracting party that are material to the contract, which the contract must grant the respective contracting party under consideration of its content and purpose as well as contractual obligations whose fulfilment is essential to the due performance of the contract, compliance with which the customer has regularly relied on and may rely on; in the case of

damage from injury to life, body and health;

- in the event of a delay, if a fixed delivery date has been agreed;
- if a defect is maliciously concealed;
- if a guarantee has been provided and/or the risk of procurement or manufacturing in the meaning of Section 276 of the German Civil Code (BGB) has been assumed by **TEXTUM**;
- in cases of mandatory statutory liability, especially according to the German Product Liability Act (Produkthaftungsgesetz).

The aforesaid regulations do not involve any change of the burden of proof to the disadvantage of the customer.

C.10.03

In the case of a breach of an obligation that does not consist of a defect, the customer can only rescind or terminate the contract if **TEXTUM** is responsible for the breach of the obligation.

An unlimited right of termination of the customer (especially pursuant to Sections 650, 648 of the German Civil Code (BGB)) is excluded. Otherwise, the statutory requirements and legal consequences apply.

C.11. Call-Off Orders

C.11.01

If call-off orders are not called off within four weeks of the agreed call-off period, **TEXTUM** may demand payment.

C.11.02

The same shall apply in the case of call-off orders without any specifically agreed call-off period, if four months pass without any call-off after the notice of readiness for shipment by **TEXTUM**.

C.12. Storage / Default of Acceptance

C.12.01

If a temporary storage of finished goods at **TEXTUM** should be necessary due to a default of acceptance, this will not result in the formation of a storage contract.

TEXTUM is under no obligation to insure stored goods.

C.12.02

In the event of a default of acceptance, **TEXTUM** may store the goods in a commercial warehouse at the risk and for the account of the customer.

C.12.03

In the case of storage at **TEXTUM**, **TEXTUM** may bill 0.5% of the invoice amount per month, but at least € 30.00,-- and another € 25.00 for every second full cubic metre of goods per month. The customer is free to furnish evidence that the claim did not accrue or is lower.

C.12.04

The two preceding sections shall also apply if the shipment, at the request of the customer, is delayed for more than two weeks beyond the notice of readiness for shipment.

C.12.05

If the customer does not accept the ordered goods within a specified period, **TEXTUM** may – without furnishing evidence of the actual damage – demand 25% of the agreed price as lump-sum compensation, unless the customer furnishes evidence that no or less damage was incurred.

C.13. Retention of Title

C.13.01

All goods delivered by **TEXTUM** are subject to retention of title.

C.13.02

This reservation and the following extension shall apply until all claims from the business relationship with the customer are paid and until full release from any contingent liabilities that **TEXTUM** has assumed on behalf of the customer in connection with the delivery.

C.13.03

Pledging of the delivered goods is not permitted.

C.13.04

TEXTUM may request surrender of its goods subject to retention of title for good cause, especially in the case of default of payment, subject to deduction of the sales proceeds. This request for surrender does not represent the rescission of the contract. The prerequisite for

this is that **TEXTUM** has threatened to reclaim possession and has set the customer a performance period of seven days. This notice period may occur at the same time as the warning.

C.13.05

If and to the extent that **TEXTUM** is able to sell the goods taken back as new in the course of its normal operations, the customer shall – without the need for detailed evidence – owe 10% of the goods invoice value as return costs. If the goods cannot be sold as new in the course of the normal operations, the customer shall – without the need for detailed evidence – owe another 25% of the goods invoice value for the loss in value. In every case, the customer may furnish proof of a lower percentage.

C.13.06

TEXTUM reserves the right to assert other, further damage.

C.13.07

The processing of goods supplied by **TEXTUM** always takes place on behalf of **TEXTUM**, so that goods remain the property of **TEXTUM**, to the exclusion of the consequences of Section 950 of the German Civil Code (BGB), in every processing state and also as finished goods. If the goods subject to retention of title are processed together with other items that are also supplied to the exclusion of the legal consequences of Section 950 of the German Civil Code (BGB), **TEXTUM** will at least become co-owner of the new goods in the ratio of the invoice value of the goods of **TEXTUM** to the invoice value of the other processed goods.

C.13.08

The customer hereby assigns in advance all claims from the resale, processing, installation and other utilisation of the goods to **TEXTUM**. If the products sold, processed or installed by the customer contain items that are not owned by the customer and for which other suppliers have also agreed a retention of title with permission of sale and advance assignment, the assignment shall take place in the amount of the co-ownership share of **TEXTUM**, which corresponds to the fraction of the claim, or otherwise in the full amount.

C.13.09

The collection authorisation that the customer has despite the assignment may be revoked at any time.

C.13.10

If the value of the collateral that **TEXTUM** is entitled to exceeds the claim of **TEXTUM** against the customer by more than 10%, **TEXTUM** shall, at the request of the customer, release collateral as selected by **TEXTUM** to the respective extent.

C.14. Place of Performance and Fulfilment

C.14.01

The place of performance and fulfilment for the services to be provided by **TEXTUM** shall always be the plant of **TEXTUM**.

This shall apply even if **TEXTUM** performs the transport itself.

C.14.02

The place of performance and fulfilment for the services to be provided by the customer is the registered office of **TEXTUM**.

C.15. Jurisdiction / Substantive Law

C.15.01

If the customer is a merchant (“Kaufmann”) within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - and international – place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be the registered office of **TEXTUM** in Bünde.

However, in all cases **TEXTUM** may also bring action at the place of performance of the delivery obligations under these General Terms and Conditions or an overriding individual agreement or at the customer’s general place of jurisdiction. This shall not affect overriding statutory provisions, in particular pertaining to exclusive competence.

C.15.02

The laws of the Federal Republic of Germany shall apply, to the exclusion of international uniform law, including but not limited to the UN

Convention on Contracts for the International Sale of Goods (CISG).

If the choice of German law is not permissible or invalid, the conditions and effects of the retention of title pursuant to **C.13.** shall be governed by the laws at the respective location of the goods.

C.16. Headings/Definitions

C.16.01

All headings in these General Terms and Conditions are solely intended for improved legibility and have no bearing on the meaning and interpretation of the individual provisions.

C.16.02

Written declarations of intent and knowledge in the sense of these General Terms and Conditions also include declarations transmitted by fax or e-mail.

C.17. Miscellaneous

Should any provision of these Terms and Conditions or a provision included in them later on be or become fully or partially invalid, void or unenforceable or should these Terms and Conditions or any amendments thereto turn out to have a gap, this shall not affect the validity of the other provisions. Sections 306 para. 2 and 3 of the German Civil Code (BGB) remain unaffected.