

General Terms and Conditions of Purchase of Wilhelm Kneitz AG, Textile Works, Wirsberg as of April 2021

1. Scope

1.1 We order exclusively on the basis of these general terms and conditions of purchase. These terms and conditions of purchase only apply to companies within the meaning of § 14 of the German Civil Code ("BGB"). "Suppliers" in the sense of these purchasing conditions are therefore exclusively individuals or legal entities or partnerships with legal capacity who are engaged in a commercial or self-employed professional activity. Any contrary or deviating terms and conditions of the supplier do not apply unless we have expressly recognised them in writing or text form.

1.2 These purchasing conditions have exclusive application and also apply to any future business relationships with the supplier. The version of the terms of sale valid at the time the contract is concluded is authoritative for this (available on the Internet at www.kneitz.de). The order and acceptance of deliveries or services do not imply acceptance or recognition of the supplier's terms and conditions.

1.3 The legal relationships between the supplier and us are based on these purchasing conditions and any other individual agreements. Any individual agreement between the customer and the supplier takes precedence over these general terms and conditions and is supplemented by them.

2. Offers, documents

2.1 The supplier's offers are to be submitted in writing or text form. We do not reimburse the cost of the preparation of offers.

2.2 We reserve ownership, usage and exploitation rights as well as all intellectual property rights to the illustrations, calculations, models, samples and other documents provided to the supplier for the purposes of submitting an offer. The supplier may not pass these on to third parties or make them accessible to them without our express written consent.

2.3 If they are given to them in connection with an offer or order, they may only use them for the purpose of submitting an offer or processing the order. They are to be returned to us unsolicited if the order is not placed or on request if an order has been processed.

3. Orders

3.1 Orders are only legally binding if we place them in writing or text form. Orders made verbally or by telephone require a subsequent confirmation by us in writing or text form. In the event of ambiguities in the order, these must be clarified by asking the supplier in writing or text form.

3.2 If the supplier wants to accept the order, they must confirm the acceptance of the order within 3 working days (working day = Monday up to and including Friday) in writing or text form. If the order is not accepted within this time, the order is deemed to have been rejected. Our orders to the supplier are freely revocable until they are accepted by the supplier.

3.3 If order acknowledgements or confirmation letters from the supplier differ from the order, they represent a new offer. The supplier is obliged to expressly point out the deviation. In this case, a contract is only concluded when we accept it in writing or text form.

4. Prices, delivery, packaging, transfer of risk

4.1 The prices shown in the order are binding. Unless otherwise agreed, the agreed price comprises the delivery including costs for packaging and, if applicable, for customs formalities and customs fees "DDP" to the receiving point according to the order, Incoterms® 2020.

4.2 Price changes due to subsequent cost increases are excluded, regardless of the reason, unless otherwise expressly agreed upon.

4.3 If the prices are not listed either in the supplier's offer or in our order, the supplier must state these in their order confirmation. In this case, the contract is only concluded with our further confirmation in writing or text form.

4.4 If, in exceptional cases, prices are agreed ex works, ex supplier or third party's warehouse, all costs incurred up to the transfer to the transport company, including loading and carriage, shall be borne by the supplier.

4.5 The supplier must immediately notify us of a consignment by a notification of despatch. Our order number must be stated on this and on any other documents and invoices associated with processing an order.

4.6 The supplier must use environmentally friendly packaging materials that are as recyclable as possible. (2) The supplier's obligation to take back the packaging is based on the statutory provisions. Full credit must be given when invoicing packaging material that is subject to return. The packaging materials are returned freight collect.

4.7 The statutory value-added tax is included in the price and is shown separately on the invoice at the statutory rate.

4.8 Unless otherwise agreed in writing, delivery must be made "free domicile". The risk of accidental loss or accidental deterioration of the ordered goods is therefore only transferred to us when the goods are transferred to an employee who is authorised to accept them at the receiving office in accordance with the order.

5. Invoice, payment

5.1 Invoices are to be issued with all necessary evidence and references to the order data. Delays due to non-compliance with these requirements are borne by the supplier. In such cases, the terms of payment do not begin before the submission of verifiable invoices that comply with these regulations.

5.2 We have the right to make payments according to the agreed terms of payment and, if necessary, only after deducting the agreed discount. The payment terms begin after receipt of the invoice, but not before a complete, defect-free delivery or service.

5.3 Statutory offsetting and retention rights remain unaffected.

6. Delivery deadlines and periods

6.1 Agreed delivery dates and periods are binding and are calculated from the day of the order. The arrival of the delivery at the receiving point specified in the order or its successful acceptance, if such is contractually agreed or provided for by law, is decisive when determining compliance.

6.2 If the supplier realises that they cannot meet the deadlines or comply with the periods, they must inform us immediately in writing or text form, stating the reasons and the expected delay. The acknowledgement of the new delivery date requires our express consent in writing or text form; it is neither given by the notification of the supplier nor by a lack of response to this notification.

6.3 If the supplier is in default of delivery, we are entitled to the statutory claims. In particular, after a reasonable grace period has elapsed without any result, we are entitled to demand compensation instead of performance and to withdraw from the contract. We only recognise early deliveries or partial deliveries in individual cases or if these have been expressly agreed upon. Otherwise, we have the right to return the delivery at the supplier's expense. Even if we accept them, we are not obliged to make early payments.

6.4 We are entitled to demand lump-sum compensation for default damages of 1% of the delivery value (final invoice amount excluding VAT) up to €20,000.00 for each commenced week of delay after the delivery time unless the supplier can prove that the loss incurred by the customer is less. The assertion of the lump-sum compensation for losses caused by delay does not exclude the purchaser's claim to performance. Furthermore, the customer is entitled to prove a higher loss caused by the default. Page 3 of 5

6.5 Force majeure, labour disputes, unrest, official measures and other unforeseeable, inevitable and serious events release the contractual partners from their performance obligations for the duration of the disruption and to the extent of its effect, provided this is communicated immediately. As far as possible, the affected contractual partner will inform the other party about the probable duration of the disruption and the effects on the contract. If this notification is not given immediately, the exemption will take effect from the time the notification reaches the other party. This also applies if these events occur at a time when the contractual partner concerned is in default. The contractual partners are obliged to provide the necessary information immediately within the framework of what is reasonable and to adapt their obligations to the changed circumstances in good faith. If the force majeure lasts longer than 14 days, both parties are also entitled to withdraw from the contract in whole or in part. In this case, a claim for damages by the other party is excluded.

7. Condition of the products to be delivered - implementation regulations

7.1 The supplier will guarantee and assure us that the products/services to be delivered meet the agreed characteristics, specifically the values and dimensions designated in the specifications (e.g., yarn technical delivery condition/datasheet, finishing regulations, lamination regulations). They will also have the properties or features specified in the order or quality assurance agreements. If the supplier receives drawings, samples or other specifications from us, these are solely decisive for the type, quality and design of the goods to be delivered.

7.2 Any concerns the supplier has about our specification must be reported immediately. In this case, the sample production or any other fulfilment of the contract may not take place until an agreement has been reached between the parties. In the case of series production according to our specification, this may only be started after our sample approval in writing or text form.

7.3 The supplier will guarantee and assure us that the products/services to be delivered correspond to the state-of-the-art, safety regulations and the agreed technical data, the relevant legal provisions, in particular, the standards according to the German Equipment and Product Safety Act ("GPSG"), Industrial Safety Regulation and the guidelines of authorities, professional associations and trade associations (e.g., VDE). If deviations from these regulations are necessary in individual cases, the supplier must obtain the purchaser's written consent. The supplier's warranty obligation is not restricted by such consent.

7.4 Irrespective of this, the supplier must constantly monitor the quality of the delivery items. The contracting parties will inform each other about the possibility of quality improvements.

7.5 Insofar as the authorities require the customer to inspect the production process and the test documents to check certain requirements, the supplier declares that they are ready to grant the same rights in their company and to provide all reasonable support.

7.7 The supplier will guarantee and assure us that the products/services to be delivered do not contain any so-called conflict materials in accordance with EU Regulation 2017/821 of May 17, 2017, on the establishment of obligations to fulfil the duties of care in the supply chain for Union importers of tin, tantalum, tungsten, their ores and gold from conflict and high-risk areas.

8. Liability for material defects

8.1 In deviation from § 377 of the German Commercial Code ("HGB"), we as the customer are obliged to check the delivered products/services within a reasonable time for any quality and quantity deviations and to notify the supplier of any defects within a reasonable time after their discovery. The complaint is timely if it is sent within 8 working days from receipt of the goods or, in the case of hidden defects, within 14 days from discovery. If a quality agreement has been concluded between the parties, this also applies.

8.2 In the event of defects, we are entitled to the statutory claims for defects. In particular, we are entitled to demand that the supplier rectify the defect or make a new delivery or manufacture the order again, as we see fit. The supplier will bear the costs arising in connection with the supplementary performance, in particular, transport, travel, labour and material costs provided that these are not increased by the fact that the product/workpiece has been moved to a location other than the place of performance. If the supplementary performance fails, we as the purchaser can, at our option, demand a reduction in the payment or cancellation of the contract (withdrawal) as well as compensation for losses (§ 325 of the German Civil Code ("BGB")). However, in the case of only a minor breach of contract, e.g., only minor defects, we are not entitled to withdraw from the contract. The statutory rights to compensation, compensation instead of performance or the assertion of warranty claims are reserved.

8.3 In cases where there is a risk of disproportionately high loss or another special urgency, we are entitled to remedy the defect at the expense of the supplier if we have tried to contact the supplier without any result or if this is not reported due to a special urgency. This does not release us from the obligation to immediately inform them of such measures.

8.4 The limitation period for claims for defects is 30 months from delivery to the customer unless a longer period is provided by law. The period begins to run with the transfer of risk but is suspended in negotiations about a defect or starts again if the supplier acknowledges a defect.

9. Product liability, indemnification from third-party claims, insurance

9.1 Insofar as the supplier is responsible for product damage, they are obliged to exempt the customer from claims for damages by third parties upon the first request insofar as the cause is within their domain and organisational area and they themselves are liable in external relationships.

9.2 Within the scope of its liability for cases of damage within the meaning of Paragraph 1, the supplier is also obliged to reimburse any expenses in accordance with §§ 683, 670, 830, 840, and 426 of the German Civil Code, arising from or in connection with a recall campaign carried out by us. As the customer, we will inform the supplier about the content and scope of the recall measures to be carried out, as far as is possible and reasonable, and allow them to comment. Other legal claims are not taken into account.

9.3 The supplier is liable for such measures taken by the purchaser to prevent damage (e.g., recall campaign) unless they can prove that the loss was not due to errors in design and/or production and/or to a breach of the supplier's control or product monitoring obligations (reversal of the burden of proof).

9.4 The supplier undertakes to take out adequate insurance against all product liability risks and to provide proof of insurance upon request.

10. Industrial property rights

10.1 The supplier is obliged to ensure that no rights of third parties are violated in connection with their delivery and the use of the items they have delivered.

10.2 If claims are made against the customer by a third party due to an infringement of property rights, the supplier is obliged to release the customer from these claims upon the first written request. This does not affect the provision of § 280 (1) sentence 2 of the German Civil Code ("BGB").

10.3 The supplier's obligation to indemnify relates to all expenses that the customer necessarily incurs due to or in connection with claims by a third party.

11. Reservation of title, provided material

11.1 We object to rules and declarations of retention of title by the supplier that go beyond the simple retention of title.

11.2 Material provided to the supplier remains our property, as do tools, drawings or other documents made available to the supplier in connection with the conclusion of the contract or the execution of the contract. Tools provided to the supplier may only be used for the production of the supplies for us.

11.3 The processing or transformation of provided material by the supplier is carried out for us. If the provided items are processed with other goods, we acquire co-ownership of a newly created item in the ratio of the value of our items provided to the other processed items at the time of processing. If supplies are inseparably mixed with other items that do not belong to us, we acquire joint ownership of the new item in the ratio of the supplies to the other items at the time of mixing. If the mixing leads to the fact that the supplier's items are to be regarded as the main item in relation to our provision, the supplier transfers proportional co-ownership of the new item to us and stores it for us.

12. Prohibition of assignment

The rights and obligations of the supplier under the contract are not assignable or transferrable without our written consent. § 354a of the German Commercial Code ("HGB") remains unaffected.

13. Limitation of liability

13.1 As the purchaser, we are liable to the supplier for grossly negligent and wilful breaches of duty by our legal representatives and vicarious agents. In the event of slight negligence, we are only liable - limited to the foreseeable, contract-typical damage - if we, our legal representatives or vicarious agents violate an essential contractual obligation ("cardinal obligation"). In the event of a breach of an insignificant contractual obligation, we are not liable in the event of slight negligence. The above limitations of liability do not apply to claims under the German Product Liability Act. Furthermore, it is not affected by death, injury or impaired health attributable to the customer.

13.2 As far as the liability towards us is excluded or limited, this also applies to the personal liability of our employees, legal representatives and vicarious agents.

14. Confidentiality

14.1 The supplier is obliged to keep secret all drawings, plans, illustrations, calculations, models, samples and other documents provided to them unless these are generally known or are made publicly available. They may only disclose or pass them on to third parties with our express written consent, provided that they have obligated third parties to similar confidentiality.

14.2 The supplier will be liable for breaches of contract by commissioned third parties as if it were their own misconduct. The duty of confidentiality continues beyond the termination of the contract. The confidentiality obligation only expires when and to the extent that the knowledge contained in the documents provided has become generally known.

14.3 If the supplier culpably violates this confidentiality obligation, they are obliged to pay us a contractual penalty for each violation. The amount of the contractual penalty is at our discretion and, in the event of a dispute, must be checked by the competent court for its fairness. Regardless of the contractual penalty, we as the customer are entitled to claim further damages. In this case, the contractual penalty is to be offset against the claims for damages.

15. Place of performance, choice of law, place of jurisdiction, severability clause

15.1 The place of fulfilment for the obligations of the supplier is the receiving point according to the order.

15.2 The law of the Federal Republic of Germany applies exclusively to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

15.3 The contract language is German. This also applies if the contracting parties exchange contractual documents that are written in another language. If there are disputes about the content and interpretation of the contracts concluded between the contracting parties, the contracts must be interpreted in accordance with the common German language.

15.4 If the supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, it is agreed in accordance with § 38 German code of civil procedure that the place of jurisdiction for all disputes between us and the supplier is the court responsible for our place of business. However, we are also entitled, at our option, to sue the supplier at their general place of jurisdiction.

15.5 Should a provision of these conditions be wholly or partially ineffective, the validity of the remaining provisions remains unaffected.

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