

# General terms and conditions of teamdress Stein Germany GmbH

## § 1 Place of performance delivery and acceptance

1. The place of performance for all items and services delivered under the terms of the supply agreement is the registered office of the seller.
2. Goods are supplied ex-works. The buyer is to meet the cost of despatch and carriage. Shipments are to be sent insured. A despatch notification procedure may be agreed on.
3. The buyer is to meet the costs of packaging for special items.

## § 2 Legal jurisdiction

1. The place of jurisdiction (including for legal action based on bills of exchange or cheques) shall be, at the plaintiff's choice, the location of one of the parties' principal place of business or the seat of the professional or trade organisation (Cologne, Germany) to which the seller belongs. The court first invoked shall be competent.

## § 3 Substance of the agreement

1. The goods shall be delivered on specific dates (on a working day or in a specific calendar week). All sales shall be agreed exclusively for specified quantities, products, qualities and fixed prices. Both parties shall be bound by this. No commission sales will be entered into.
2. Block orders are permitted. The maximum period for acceptance of delivery must not exceed 12 months. Block orders must consist of at least 80 items per article.

## § 4 Interruption of delivery

1. In the event of *force majeure*, strikes or other operational disruptions beyond the supplier's control that have lasted, or are likely to last, longer than one week, the time limit for delivery or acceptance of goods shall be extended for the duration of the hindrance, subject to a maximum of five weeks plus the additional extended delivery period. This extension will only apply if the other party is informed without delay about the reasons for the hindrance, as soon as it becomes apparent that the previously-agreed deadline cannot be met.
2. If delivery or acceptance of the same has not occurred on time, the other party shall be entitled to withdraw from the agreement. The party concerned must however notify its intention in writing at least two weeks before exercising the right of withdrawal.
3. If the other party was not informed without delay, in response to an inquiry, that the deadline for delivery or acceptance would not be met, and if the delay has lasted for longer than five weeks, then the other party to the agreement shall have the right to withdraw immediately from the same.
4. There shall be no entitlement to claim for loss or damage if the contracting party concerned has met its obligations under sections 1 to 3.

## § 5 Extension of delivery period

1. The entitlement to withdraw from the agreement shall not apply if the buyer informs the seller during the extended delivery period that the buyer demands performance of the contract. The seller shall however be released from the obligation to deliver if the buyer fails to respond to an inquiry on the part of the seller, made within the extended delivery period, as to whether the buyer demands performance of the contract.
2. No fixed-date transactions will be entered into. However, if the parties expressly agree in an individual case that the goods are designed for a specific purpose, a fixed delivery date without extension may be established. If this delivery date is not met, the buyer may demand compensation for the additional expenses arising, but only up to the purchase price of the goods ordered. All further claims are hereby excluded. In the event of goods supplied for a specific purpose being defective, the buyer may only claim a reduction in the purchase price or withdraw from the agreement.
3. If the buyer intends to claim for loss or damages instead of performance, it must grant the seller a four-week deadline, indicating that the buyer will refuse to accept the goods after the expiry of this deadline. The deadline period is to be counted from the date on which the buyer's letter of notification is sent by registered mail. This condition shall only apply if the seller has been notified within the extended delivery period of the buyer's deadline.
4. An extended delivery period of five working days shall apply to goods in storage ready for despatch and "never-out-of-stock" (NOS) items. The buyer is to be notified immediately of any failure to deliver. In all other respects, the provisions of sections 1 and 3 shall apply.
5. The buyer cannot make claims for delayed delivery until the extended delivery period has expired.

## § 6 Claims for defects

1. Claims for defects must be sent to the seller within 12 days of receipt of the goods at the latest.
2. No complaints regarding defects can be made once cutting or other processing of the delivered goods has taken place.
3. Neither discrepancies usual in trade, nor minor technical, non-avoidable variations in quality, colour, width, weight, finish or design shall form the basis of any claim on the part of the buyer, unless the buyer has expressly specified in writing that the items supplied should exactly match a sample.
4. In the event of justified claims for defects, the seller has the right either to repair the defective goods or to replace them with goods free from defects, and must do so within 12 days of receiving the returned goods. The seller is to meet shipping costs in such cases. If the repair fails, the buyer shall be entitled only to reduce the price or to withdraw from the agreement.
5. Upon expiry of the deadline specified in section 4, the buyer may only claim a reduction in the purchase price or withdraw from the agreement.
6. The buyer must notify the seller of hidden defects immediately upon their discovery. Even if a claim for defects is submitted on time, the buyer may only claim a reduction in the purchase price or withdraw from the agreement.

## § 7 Payment

1. Invoices shall be dated with the day of delivery or the day on which the goods are made available to the buyer. The postponement or extension of the due date is hereby expressly excluded.
2. Invoices shall be payable as follows:  
Unless otherwise indicated in the order confirmation, the purchase price (without deductions) is to be paid within 14 days of the date shown on the invoice. Default in payment shall arise as of day 15 under the terms of § 286 II no. 1 of the German Civil Code (BGB).
3. No advance interest shall be granted in any case.
4. Payments received will always go to settle the oldest debts first, plus the accrued interest on arrears.
5. The postmark shall in all cases be taken as proof of the date of payment. In case of payment by bank transfer, the day prior to the seller's account being credited shall be deemed to be the date on which payment was made.

## § 8 Payment after the due date

1. Where payments are made after the due date, they shall be subject to interest charged at 8% above the applicable base rate of the German Bundesbank.
2. If the buyer is in default of payment, or if there is a risk of insolvency or other substantial deterioration in the buyer's financial situation, the seller may, after granting an extension of 12 days for still-outstanding deliveries under any current agreement, demand cash payment before delivery, with discontinuance of the credit period, or withdraw from the contract or claim compensation.

## § 9 Method of payment

1. The offsetting or withholding of amounts due shall only be permitted in the case of undisputed or legally-confirmed accounts payable. This also applies in the event of suspension of payments on the part of the seller. No other deductions (e.g. for postage and packing) are permitted.

2. Bills of exchange will only be accepted as payment if all costs are paid at source. Bills of exchange and acceptance bills with a term in excess of three months will not be accepted.

## § 10 Reservation of title

1. The seller reserves title to all items until payment, including all claims arising from shipments supplied in the course of the entire business transaction and secondary claims and claims for loss or damage and the clearing of cheques and bills of exchange, has been completed in full. Reservation of title shall also apply if individual claims on the part of the buyer are incorporated into an outstanding invoice and recognised by being deducted from the account.
2. If the goods subject to reservation of title are attached to, mixed with or processed into new products, the buyer will be deemed to be acting on behalf of the seller without thereby acquiring any claims on the seller. The buyer cannot assume ownership of the new product under the terms of §§ 947 ff. of the German Civil Code (BGB) as a result of attaching, mixing or processing. If goods are attached to, mixed or processed together with products that are not the property of the seller, the seller shall acquire co-ownership of the new product in the ratio of the invoice value of the goods subject to reservation of title to the total value.
3. If a central settlement agency is involved in the business transactions between the seller and the buyer in order to guarantee payments due, the seller is to transfer ownership of the goods to this central settlement agency at the time of their despatch, on condition of payment of the purchase price by the central agency. The buyer will only be released from its obligation after payment has been effected by the central agency.
4. The buyer shall have the right to resell or process the goods only under the conditions set out below.
5. The buyer may only sell or process the goods subject to reservation of title in duly transacted business operations, and provided that the buyer's financial situation is not subject to grave deterioration.

- 5a. The buyer hereby assigns the claim, with all subsidiary rights from the resale of the goods subject to reservation of title – including any balances due – to the seller.

- 5b. If the product is attached, mixed or processed, and the seller has acquired co-ownership in it up to the value of the seller's invoice, then the seller shall be entitled to a share in the purchase price in proportion to the value of the seller's title to the product.

- 5c. If the buyer has sold the receivables as part of non-recourse factoring, then the buyer shall assign these receivables against the factor to the seller, and shall pass on its sales revenue to the seller in proportion to the value of the seller's title to the product. The buyer must disclose the assignment to the factor if the buyer is in default with settling an invoice for more than ten days, or if the buyer's financial situation deteriorates substantially. The seller shall accept this assignment.

6. The buyer has the right to collect the assigned receivables, provided that it fulfils its payment obligations. The authority to collect terminates if the buyer defaults with its payment or if its financial situation deteriorates substantially. In this case, the buyer, by accepting these conditions, authorises the seller to inform customers about the assignment and to collect the receivables directly.

7. If the value of the security provided to the seller exceeds the total value of its claims by more than 10%, the seller shall, at the buyer's request, release security of its own choice accordingly.

8. Pledging or transferring ownership of the goods subject to reservation of title or of the assigned claims is not allowed.

The seller is to be informed immediately of any seizure carried out on the part of a creditor.

9. If the seller takes back the goods supplied under the terms of its right to retention of title, this shall only constitute a withdrawal from the agreement if the seller expressly so states. The seller shall have the right to satisfy its claims by the sale, in the normal course of business, of recovered goods subject to retention of title.

10. The buyer shall store, on behalf of the seller and at its own expense, the goods subject to reservation of title. The buyer must insure them against such common risks as fire, theft and water damage, and to the usual extent. The buyer hereby cedes to the seller all entitlement to claims for loss or damage under the terms detailed above that may be met by insurers or other liable parties, up to the invoiced value of the goods concerned. The seller shall accept this assignment.

11. All claims and rights arising from the retention of title in all the special forms set out in these terms and conditions shall remain in force until the complete release from contingent liabilities (cheques and/or bills of exchange) that the seller has entered into on the buyer's behalf. The buyer shall normally be entitled, in cases where point 1 applies, to engage in factoring for its receivables. The buyer must however inform the seller, before entering into contingent liabilities, of its intention to do so.

## § 11 Quotations and quotation documents

1. The agreement does not come into force until the corresponding written confirmation has been issued.
2. The agreement shall likewise come into force by default if written confirmation is not opposed by the buyer within two weeks of being notified accordingly.

3. The seller reserves all rights of ownership, copyright and exploitation over quotations, drawings and other documentation provided. None of this material may be passed on to any third party without express consent.

## § 12 Right to withdraw

The seller shall be entitled to withdraw from the agreement, or from part of the same, if its fulfilment is hindered by technical issues or difficulties in procurement, which cannot be solved even after the utmost effort has been made in this respect, or where the cost of providing a solution exceeds, by an unreasonable amount, the value of the item or service to be supplied. The right to withdraw shall also apply if the seller obtains information, after entering into the agreement, that gives rise to serious grounds for doubt regarding the creditworthiness of the buyer.

## § 13 Applicable law

The laws of the Federal Republic of Germany shall apply. Application of the United Nations agreement of 11.04.1980 on international contracts to purchase is hereby excluded.

## § 14 Scope of application

1. Our terms and conditions, as set out above, shall apply to the exclusion of all conditions to the contrary or any alternative conditions that might be established by the supplier, unless otherwise agreed to by us expressly and in writing. Our conditions of purchase also apply even if conditions established by the supplier and contrary to or differing from our own are known to us and goods are supplied to the buyer without reservation.
2. All special accords made between the seller and the buyer for the purpose of entering into this agreement are to be established in writing as part of the same.

## § 15 Partial invalidity

Should any of the individual provisions of these terms and conditions be or become ineffective for any reason, this shall have no effect on the validity of the remaining provisions.