

# Terms of Delivery and Payment

## **§ 1 Conclusion of Contract**

Contracts for delivery shall only be concluded on the basis of the terms herein. The purchasing terms of a purchaser which are at variance with these terms of delivery and payment shall not be recognised. Explicit objection to such terms shall not be necessary.

## **§ 2 Place of Performance and Jurisdiction**

The place of performance for all obligations arising from any section of this contract for delivery shall be the statutory seat of the seller's place of business. Even when deliveries are made abroad, the contractual relationship shall be subject to the laws of the Federal Republic of Germany. For any disputes arising directly from the contractual relationship with the purchaser, the place of jurisdiction shall, according to the choice of the seller, be the seller's place of business, Stuttgart or a legal venue. This shall also apply for claims arising from cheques, bills of exchange and automatic debit transfer.

## **§ 3 Delivery**

Unless agreed otherwise, delivery of the goods shall be performed from the works where they are produced. In all cases, shipment shall be at the customer's risk. This shall also apply to transport by the seller's delivery service. Over – or under delivery of 20 % of the initial order quantity (but at least 2 packaging units), as well as partial delivery is admissible.

## **§ 4 Creditor's delay**

Should the purchaser not accept the entire delivery by the agreed deadline, or should he not fulfil his payment obligations, his right to further deliveries shall lapse without there being any requirement to grant a grace period or for a demand pursuant to section 326 of the German Civil Code (BGB). The seller's claims to acceptance of the goods and to payment shall remain unaffected.

## **Terms of Delivery and Payment (II)**

### **§ 5 Default of Delivery**

Should the seller be in default in delivery, the purchaser shall allow a period of grace of 14 days. This extension of delivery deadline may only be set once the delivery period has expired, and shall be calculated from the day on which the purchaser's written notification is received by registered post. If the statutory period of grace has expired without result, the purchaser shall be entitled to claim compensation for the losses occasioned by the default pursuant to sections 286 and 326 BGB. Should part deliveries be concerned, however, this shall apply solely for that part of the delivery for which the seller is in default.

### **§ 6 Obstruction of Delivery**

If proper manufacture by the seller is partly or completely hampered as a result of an Act of God or other non-culpable interruptions or restrictions in the seller's operations, e.g. as a result of fire, explosion or flood, or due to non-culpable faults in consumables and raw materials, impediments to power supplies, mechanical damage, action taken by public authorities, war or commotion, or as a result of an industrial dispute (strike, lock-out), and performance of the order is delayed as a result, the seller shall advise the purchaser of this without delay. The agreed delivery period shall be extended by the duration of the interruption to the extent that this interruption is responsible for the delay in delivery. For the rest, the contract shall remain unaffected. The seller must advise the purchaser immediately of the end of the interruption. Should the interruption last longer than two months, both parties shall be entitled to withdraw from the contract.

## **Terms of Delivery and Payment (III)**

### **§ 7 Complaint in Respect of Defective Goods**

Complaints in respect of the goods delivered shall be made without delay, and shall only be considered if they are made by the purchaser to the seller in writing at the latest within two weeks after receipt of the goods by the purchaser or at a warehouse requested by the purchaser, and prior to any processing of the goods. Complaints may not be made in respect of customary or technically unavoidable discrepancies in the goods quality, colour, width and weight. In this context, the following weight tolerances shall apply: discrepancies of 12% for non-wovens weighing up to 50 g/m<sup>2</sup>, of 8% for non-wovens weighing from 50-100 g/m<sup>2</sup>, and of 5% for non-wovens weighing more than 100 g/m<sup>2</sup>, as measured in a roll in its original state containing at least 20 m<sup>2</sup>. It shall be taken as agreed that a size difference of 5% or 4 cm, whichever is greater, shall apply to rolls, perforated and individual pre-cut articles. The legal provisions shall apply for hidden defects.

### **§ 8 Invoicing, Due Date, Payment**

The basis for invoices shall be the square metre of kilo price of the goods sold on the day of shipment, without value added tax. Invoices shall be issued on the day of shipment or, in the case of non-culpable hindrance of shipment, during the days when the goods are ready for shipment. The invoice amounts are payable within 30 days from the date of invoice. Payment deadlines shall only be deemed complied with if we have received the money within the above-mentioned period or if payment by bill of exchange, cheque or automatic debit transfer has been credited to us unconditionally.

## **Terms of Delivery and Payment (IV)**

### **§ 9 Default in Payment**

The purchase price shall be due on dispatch of the order. Should payment of the delivery not have been forthcoming for 30 days after the buyer has taken receipt of both the goods and the invoice, the buyer shall be considered to have defaulted without it having been necessary to send him a reminder. In this case, the buyer shall pay interest on a scale five percent higher than the respectively valid German Bundesbank discount rate. Any costs involved in issuing reminders shall be borne by the buyer. Should the seller also demonstrably incur greater costs owing to the defaulted payment then he shall also be permitted to bring these to bear. Should the purchaser be in default with a payment due, should his financial circumstances become significantly straitened, or should the seller have reasonable grounds to doubt the purchaser's creditworthiness following conclusion of the contract for delivery, the seller shall be entitled, by stating his reasons in a registered letter, to rescind the time allowed for payment and to demand cash payment prior to dispatch of the goods for any delivery still outstanding from any current contract. If payment is not made within 10 days after receipt of the demand, the seller shall be entitled, at his option, either to withdraw from the delivery contracts concluded with the purchaser or to demand damages for non-performance.

### **§ 10 Reservation of Title**

The goods delivered shall remain the seller's property until complete payment (see 8) of all claims existing on conclusion of the contract as a result of the business relationship with the purchaser. The purchaser shall be entitled to sell the goods delivered by the seller in normal business transactions. He shall not be entitled to pledge the goods or assign them as security. The purchaser shall inform the seller in without delay of any attachment by third parties of goods delivered by the seller, and forward the written record of the attachment to the seller. The purchaser is obliged to safeguard the seller's rights when reselling on credit goods for which reservation of title exists. In the case of non-cash sales he hereby assigns in advance his claims against his customers to the seller. If the seller's total claims are secured beyond any doubt by more than 120% by such assignments, the surplus accounts receivable shall be released on demand by the purchaser and as selected by the seller.

## **Terms of Delivery and Payment (V)**

### **§11 General**

Should any provision of these terms of delivery and payment be or become invalid, this shall not affect the validity of the remaining provisions. In such a case, that provision shall apply which comes as close as possible to the aim intended by the invalid provision. Only the German version of these terms of delivery and payment is binding.