

Sales conditions for export-orders

1. A Business relationship with Seller can only be entered into on the basis of these terms of business. In the event the Buyer provides for general terms that conflict with the terms of the Seller, the terms of the Seller shall supersede, unless the Seller expressly consents to terms of the Buyer. Unless otherwise agreed the place of delivery is at the factory of Seller and all quotations shall be considered as "without engagement". They are net quotations clear of VAT or freight charges and other export/import charges. Place of performance and jurisdiction for all performances out of the contract is D-48268 Greven -Federal Republic of Germany. The business relationship and contracts between the parties shall be governed by German Law. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) in its applicable version at the time of the entering into the contract is excluded hereby.

2. Delivery of the goods will be made according to the conditions of seller's order- confirmation. Amendments or changes to the order-confirmation are only valid with seller's consent in writing. The tasks, costs, and risks associated with the transportation and delivery of the goods are determined and interpreted in accordance with the INCOTERMS 2010. Packing will only be charged if export boxes or special packing are required by buyer. Part-shipments can be made with buyer's agreement. In the event dispatch or acceptance of the goods is delayed by reason of a failure of Buyer to give necessary instructions of to accept delivery, Seller is entitled – after a notice period of 30 days - to issue a back order invoice, to rescind from the contract or to claim damages.

3. The delivery period which is announced in the order confirmation of the Seller is an approximate. Time is only of the essence with the express acknowledgment by Seller and if the delivery period is qualified such as.

4. Force majeure, administrative measures, strike or any other obstacles to the manufacturing of the goods by seller entitle Seller to extend the time of delivery for the duration of the delay caused by the obstacle. In case the duration of the delay is longer than 8 weeks, seller has the right to cancel the contract, only, however, if Seller has put buyer on notice of the delay by registered letter as soon as it has become obvious that a delay in delivery could not be avoided. In such case no indemnifications may be claimed.

5. Defect claims for will only be accepted if the same are forwarded to Seller by registered letter within 2 weeks after arrival of the goods at the place of destinations (or overseas port of destination). Variances in quantities and colours are to be notified within 3 days. Buyer must make an entry inspection of the goods which must encompass sample checks with respect to the entire load. Trade usual tolerances and technically unavoidable deviations of quality, colour, width, weight or finish cannot be claimed. Furthermore claims will not be accepted for any delivered goods after the same have been further processed or manufactured by buyer. In the event defects are not contested by Seller, the defective goods are to be returned/dispached by Buyer within 4 weeks of arrival at Buyer's. Seller has the right to make a replacement delivery, which must be tendered by Seller no later than 4 weeks after the return of the goods at the Seller's place of business. Goods may only be returned with the express consent of Seller. In the event the Seller does not make use of its right to make a replacement delivery, the Buyer may rescind from the contract or claim a commercially adequate reduction in price. The Buyer may not claim any compensation or damages for breach of warranty or contract, unless there is culpable violation of an obligation that leads to injury to physical health, or unless the damages are caused by gross negligence or intent from a legal representative or leadership agent of Seller. In any event damages are limited to the damages that are foreseeable at the time of the entering into the contract.

6. Payment has to be made in the currency and the conditions of seller's order-confirmation. Invoices will be made out on the date of delivery or tender. In case of a payment delay, default interest interests will be charged at a rate of 9% above the base interest rate of the German Bundesbank. Incoming payments are counted first towards the invoices that have the longest overdue time, their default interests and costs. Seller is not obliged to effectuate further deliveries against any open contracts as long as full payment is not received in regards to all overdue invoices, interest and costs. Bills of exchange- with a maximum maturity of 3 months – are accepted by Seller, only under the condition that seller's bank accepts the bill of exchange for discount. Any and all discounting and bill charges shall be borne by the buyer. In case buyer is in default with due payments or in case seller obtains information while entering the contract or at a later date of deterioration of buyer's financial situation, seller is entitled to demand cash payment in advance for all outstanding deliveries and prompt cash payment for all accepted bills of exchange – irrespective of expiry date – by returning the same.

7. The goods shall remain the property of the Seller until full payment of all receivables for the delivery of goods arising out of the business relationship, including ancillary claims, damages as well as payment of checks and bills of exchange. The right of retention of title shall remain even if individual claims by the Seller are included in a current invoice and the balance is drawn and recognized. If the goods supplied under retention of title are processed by the Buyer into a new movable, mixed or processed object, this shall be done without the Seller incurring any type of liability as a result of the processing. By combining, mixing or processing the goods, the Buyer does not acquire ownership of the new item by reason of the Law as stipulated in Article 947 of the German Civil Code and the Articles that follow. By combining, mixing or processing items of Seller with items that do not belong to the Seller, the Seller acquires a joint and partial ownership right with respect to the new item, in the invoiced value of the goods that were used to produce the new item and to which Seller retained title. Inasmuch as a central settlement agent takes over the del credere risk and is involved in to the business relationship between Seller and Buyer, the Seller transfers ownership of the goods at tender to the settlement agent under the suspensive condition that the payment is made by the settlement agent. The Buyer is discharged of his contractual obligations towards Seller only after full payment by the settlement agent. The Buyer is entitled to sell the goods to which Seller retains title under the following conditions: a) The Buyer may sell or process the goods in the ordinary course of business, provided that he does not have reason to know, that his financial situation will significantly deteriorate subsequently. b) The Buyer hereby assigns To Seller any claims that he attains against a third party as a result of the sale of the goods under retention of title - including any outstanding balance claims or ancillary claims. The Seller hereby accepts this assignment. c) If the goods were combined, mixed or processed and the Seller has acquired a joint ownership right in the processed goods, then the Seller shall be entitled to a share of the proceeds that were acquired by reason of the sale of the processed item in the amount of the invoiced value of the goods of the Seller used in the manufacturing of the goods. d) If the Buyer sells the claims that he acquired against third party by reason of the sale of the goods to a non-recourse Factoring company, the Buyer hereby assigns the claim against the Factor to the Seller and transfers to Seller the share of the Buyer's claim against the factor that corresponds to the Seller's proprietary right. The Buyer is obliged to disclose the assignment to the Factor if he is in payment default with more than 10 days with an invoice or if his financial situation deteriorates significantly. The Seller accepts this assignment. e) The Buyer is authorized to collect the receivables assigned to Seller, as long as he meets his payment obligations. The right to collect these receivables expires in case of payment default of the Buyer or a significant deterioration of his financial situation, in which case the Seller is authorized by the Buyer to inform the third party of the assignment and collect the claim which was assigned. The Buyer must provide Seller with the necessary information for him to collect payment from third party and permit verification of the information. Buyer shall provide Seller with a detailed listing of all outstanding claims with the names and addresses of customers, the amount of each claim, invoice date, etc. If the value of the proprietary rights or secured interest of the Seller surpasses the total amount of his claims by more than 10%, then the Buyer has a discretionary right to request that Seller release securities. Pledge agreements with third parties or assignments for the purpose of providing a security interest to a third party may not be entered into by Buyer. Buyer must inform Seller immediately in the event of an attachment by a creditor of Buyer and name such creditor to Seller. If the Seller exercises his proprietary rights by taking the goods to which he has retained title back, that may not be interpreted as a cancellation of the contract. The Seller may sell the goods that he takes back in order to satisfy his contractual claims. The Buyer stores the goods to which Seller holds title free of charge. He must insure the goods against all standard risks, such as fire, theft and water within the usual scope. The Buyer hereby assigns to Seller any claims for damages against insurance companies or other parties against which Buyer may claim damages with respect to the goods to the extent of the Seller's invoice claim. The seller accepts the assignment. All claims and rights arising from the retention of title or all special forms thereof as defined in these conditions shall remain in force until there is a complete release of Seller from all contingent liabilities (bill of exchange) that the Seller has incurred in the interest of the Buyer. In case of the previous sentence, the Buyer is allowed, as a matter of principle to factor his account receivables. However, he must inform the Seller before

causing contingent liabilities. The above retention of title or secured interest clauses apply inasmuch as the provisions do not conflict with the laws of the country in which the goods are located. In the event of a conflict of law, the proprietary rights and secured interests entitlements of the Seller according to that country's laws apply to the goods in lieu of the retention of title clauses hereinabove, as valid under Germany Law. The Buyer commits to support the Seller with regard to all measures that are conducive in securing the Seller's propriety rights or liens. In the event that third parties claim propriety rights or liens with respect to the goods to which Seller holds an interest, the Buyer commits to immediately notify the Seller thereof.

8. In all cases of controversies arising out of this contract, which have not been submitted to the ordinary court, the seller has the right to submit the dispute to the Arbitration Court of the International Chamber of Commerce (I.C.C.) in accordance with its rules of procedure, or alternatively, to the Court of Arbitration of the International Wool Textile Organization (IWTO) according to the International Wool Textile Arbitration Agreement.