

Terms and Conditions of Sale, Delivery and Payment

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The following General Terms and Conditions of Sale, Delivery and Payment shall apply exclusively to all bids we make and to all contracts entered into with us, including future bids and contracts. We hereby definitively reject the application of general terms and conditions of business of the purchaser even if we fulfill an order despite knowledge of the general terms and conditions of business of the purchaser. Deviations need to be agreed upon in writing.

1. Quotation and concluding a contract

1.1. All quotations are non-binding, in particular with respect to the pricing and delivery possibility. All agreements reached between ourselves and the purchaser with respect to executing a contract must be made in writing. If the order is not especially confirmed, the invoice shall be deemed to constitute the order confirmation. Quantities and indications of weights are only approximate.

1.2. We may correct obvious errors and mistakes made in quotations, order confirmations and invoices. No legal entitlement can arise on the basis of information provided in error which obviously contradicts our other sales documentation.

2. Prices and Payment conditions

2.1 Unless otherwise agreed the prices as shown on our price lists in effect on the date of delivery shall apply. This also applies to part deliveries. Prices are either ex works or ex external warehouse depending on delivery and either in euro or the applicable currency.

2.2 The statutory amount of value added tax is payable on top of the prices.

2.3 Unless otherwise stated on the order confirmation all payments are due net and without deduction within 30 days of the date of the invoice. In case of default the appropriate laws shall apply. Any discounts must be agreed upon in writing.

2.4 Incoming payments shall be offset primarily against obligations in arrears. In accordance with current law the date of receipt of payment is the date of receipt on our bank account. Bills of exchange and checks are only accepted by way of performance.

2.5 All payments shall be effected without any deductions for charges and in case of claims in foreign currencies at the official rate of exchange on the due date. The costs of bills of exchange and discount charges in accordance with the rates charged by private banks shall be borne by the purchaser.

2.6 Offset, exercising a right of retention and the defense of lack of performance of the contract, for whatsoever legal ground, are excluded unless the counterclaims have been ruled *res judicata* by a court of law or are not disputed by us.

2.7 In case of objections on account of defects, the purchaser may only withhold payment to an extent which is in reasonable proportion to the defects existing.

3. Delivery

Unless otherwise agreed the Purchaser bears all transport costs. The Seller takes care of the logistics execution and dispatch handling. Additional costs incurred due to the Purchaser's request for expedited shipping or for different means of transportation than that intended by the Seller shall be borne by the Purchaser and effected at the Purchaser's risk.

4. Delivery dates and disruptions

4.1. The precondition for commencement of the delivery period indicated by us is that all technical questions have been clarified. If the delivery period is not complied with, this shall not yet entitle the purchaser to rescind the contract or claim damages. Once we are already in default the purchaser must, subject to the provisions of Section 4.2, set us an appropriate extended deadline threatening rejection. Following the abortive expiration of this extended deadline, the purchaser shall be entitled to rescind the contract; the purchaser shall be entitled to claim damages in lieu of performance in an amount equal to the foreseeable damage subject to the provisions of Section 7, only if the default was based on intent or gross negligence, moreover the liability for damages shall be limited to 50 % of the value of the goods which it was not possible to deliver on time. Claims for damages or other claims of the purchaser in excess of the aforementioned limits are excluded in all cases of delayed delivery, even after expiration of an extended deadline set for us.

4.2. No reminder or deadline is required in case of so-called just-in-time deliveries. Just-in-time deliveries shall be deemed agreed if, within three working days of receipt of a respective request from the purchaser clearly recognizable as a request for just-in-time delivery, we explicitly agree in writing to effect just-in-time deliveries or if we do not object to such request in writing within three working days of a respective request by the purchaser. The damages which the purchaser can claim amount to a maximum of 50 % of the value of the goods which it was not possible to deliver on time.

4.3. The delivery period shall be deemed complied with if the goods for delivery leave the plant before expiration of the delivery period or if notification of readiness for shipment has been given.

4.4. Operational or market disruptions, fire damage, flooding, deficiency of workers, energy or raw materials, strike, lock-out, transport disruptions, official decrees and other unforeseen obstacles which are not subject to the will of the supplier, shall entitle us to extend the delivery periods for a time at least equivalent to the length of such disruption, or, if the disruption should continue for longer than six weeks, to rescind that part of the contract not yet fulfilled. Claims for damages by the purchaser are excluded in these cases too.

5. Warranty, Notice of Defects

5.1 As part of the constant process of improvement we reserve the right to make changes in production or design that do not affect the quality or value of the goods and do not constitute a defect, especially if the article conforms to the AMANN standard specification or the customer specification even if the article has not been released by the customer, despite an express demand that he do so.

5.2 We accept no responsibility for damage arising through unsuitable or improper use or processing, and in particular we assume no liability for damage caused by the sewing process itself.

5.3. In case of justified complaints we undertake to deliver defect-free replacement goods within a reasonable period. If no subsequent performance is effected within a reasonable period, the purchaser shall be entitled to demand a reduction in the purchase price or, albeit only in case of considerable defects, to claim damages in lieu of performance and/or to rescind the contract. No extended deadline has to be set by the purchaser if we refuse subsequent performance or if we cannot be reasonably expected to effect subsequent performance, or if a delivery date firmly agreed pursuant to Section 4.2 has elapsed.

5.4 Subject to the terms of Section 7 the purchaser shall be entitled to claim damages in lieu of performance or to claim compensation for expenses only if the defect was due to intent or gross negligence on our part. Further-reaching claims are excluded.

5.5. Complaints concerning obvious defects must be filed with us immediately after delivery of the goods. Following expiration of a 12 day period after receipt of the goods the goods shall be deemed accepted at any event. No objections may be raised with respect to customary commercial deviations or to minor unavoidable technical deviations in quality, color or finishing. Complaints relating to concealed defects must be raised with us immediately after discovery thereof. Complaints which are filed late according to the provisions of this Section cannot be taken into consideration.

5.6 The purchaser is obliged to document defects in goods which oblige the purchaser to recover goods on-sold by the purchaser. For all claims the purchaser is obliged to provide us with its own documentation and that made available to him by its customers. The purchaser is obliged to pass this documentation obligation on to its own customers unless they are final consumers.

5.7 Claims to subsequent performance and consequential claims by the purchaser shall become time-barred 12 months after the passing of risk unless the law provides otherwise.

6. Reservation of title

6.1. We retain title in the goods delivered pending payment of all our claims against the purchaser under the business relationship including future claims and claims from contracts entered into simultaneously and at a later date. This shall also apply if some or all of the claims against the purchaser have been included in one current account and the balance has been drawn and recognized. The purchaser is entitled to process and sell the goods in accordance with the terms of the following provisions.

6.1.1. The purchaser's authority to sell goods with reserved title during the ordinary course of business shall cease upon the purchaser's suspension of payments or if

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insolvency proceedings are initiated against the purchaser's assets. On-selling the goods is only then permissible if we receive, through such sale, the security rights embodied in these Conditions, in particular the claims against the respective third party customers assigned in advance. Pledging or assigning the goods with reserved title or the assigned claims as security is inadmissible.

6.1.2. By processing the goods with reserved title the purchaser does not acquire title to the new goods. The processing is effected by the purchaser on our behalf. If the goods with reserved title are processed together with other goods belonging to the purchaser or acquired subject to so-called simple reserved, we shall acquire sole title to the processed product. If the goods with reserved title are processed together with other goods also delivered subject to extended reserved title, we shall acquire joint ownership in the new goods in the same proportion as that of the invoice value of the goods with reserved title compared to the invoice value of the other processed goods.

6.1.3. The purchaser hereby assigns to us the claims from on-selling the goods with reserved title – also insofar as the goods are processed. If the processed product includes, alongside the goods with reserved title of the seller, other items either belonging to the purchaser or delivered subject only to so-called simple reserved title, the purchaser shall assign the entire purchase price claim to the seller. Otherwise, i.e. given an accumulation of prior assignments to several suppliers, we shall be entitled to a respective fraction of the respective purchase price claim by analogy with the ruling set forth in Section 6.1. para. 2.

6.1.4. We shall not collect the claims assigned as long as the purchaser meets its payment obligations. The purchaser is, however, obliged to indicate the third party debtor to us, upon request, and to advise this debtor of the assignment. The purchaser is entitled to collect the claims itself until such time as we instruct the purchaser otherwise. The reserved title shall also remain in force and effect if individual claims of ours have been included in one current account and the balance has been drawn and recognized.

6.1.5. If the security existing through the reserved title exceeds the claim to be secured by 20 %, we shall release fully paid deliveries at our discretion.

6.1.6. We must be informed forthwith of any attachment with notification of the pledgee. The purchaser is obliged to inform us at any time of the stocks of unprocessed and processed goods delivered by us and of the claims, proceeds and substitute products ensuing from on-selling goods delivered by us and to permit our authorized representatives to inspect warehouses and books of account. If insolvency proceedings are filed or initiated, the purchaser shall make the inspection possibilities provided for in the preceding sentence available immediately. The purchaser's obligation to provide us with information shall remain unaffected hereby as a matter of principle. The purchaser is obliged to send us, as soon as it suspends payments and immediately after notification, a list of the goods with reserved title still in existence, including goods processed and a schedule of claims against third party debtors including copies of the invoices. If the purchaser does not comply with its obligations, we are entitled to claim damages in the amount of the value of the security and to demand the release of the goods with reserved title from the purchaser without setting an extended deadline or to demand the assignment of the purchaser's claims for surrender from third parties.

7. General liability ruling

Save as otherwise provided for in these Conditions, claims for damages and compensation for expenses by the purchaser are excluded for whatsoever legal ground. This restriction on liability and other limitations on our liability to intent and gross negligence shall not apply in the event of compulsory liability or in cases of fatal or physical injury or damage to health, in case of provision of a guarantee or in the event of a violation of material contractual obligations. The amount of damages is, however, limited to foreseeable damage typical of the type of contract, except in case of intent or gross negligence. The purchaser may only rescind the contract in all cases other than those provided for under the terms hereof in case of fault on our part.

8. Place of performance, jurisdiction and venue

8.1. The place of performance for our service is at the registered office of our company or at a distribution warehouse determined by us. The place of performance for payment is at the registered office of the company.

8.2. Any disputes arising from or in connection with any order shall be settled through friendly consultations between the parties. In case no settlement can be

reached through consultations any litigation arising from or in connection with any order or any other aspect of the contractual relationship between our company and the purchaser shall be submitted to the exclusive jurisdiction and venue of the competent court at the place of registration of the Amann Group company that has become business partner of the purchaser. If appropriate, we are entitled to take legal action at the registered office of the purchaser.

8.3. All disputes shall be bound by and construed in accordance with the laws of the Federal Republic of Germany excluding the UN Convention on the International Sale of Goods.

9. General provisions

9.1. We are entitled to process and use the personal data of the business partner arising in connection with the contractual relationship to the extent prescribed by law and in order to maintain our business relationship; as far as personal data are concerned this shall be effected in due compliance with the German Act on Data Protection. The purchaser waives separate notification of the initial storing of personal data.

9.2. If one of the provisions contained in our General Terms and Conditions of Sale, Delivery and Payment should be invalid, this shall not affect the legal validity of the remaining provisions.

AMANN Group dated: February 2014