

Mayser GmbH & Co. KG, Bismarckstr. 2, D-88161 Lindenberg/Allgäu  
 Terms and Conditions of Payment and Delivery

**General terms and conditions**

Regarding our business relations with merchants the terms and conditions specified hereafter shall apply exclusively. Any adverse terms and conditions that our business partners may probably have established shall be valid only if explicitly confirmed by us in written form. The same shall also apply if the terms and conditions probably established by our contractual partners have, in terms of time, been confirmed to us at last.

By placing his order with us, the purchaser declares his accordance with our terms and conditions as set out below for the whole and even for the future business relationship with us. All oral commitments, promises or assurances probably made by our representatives and or employees shall be valid only if confirmed by us in writing.

**Place of fulfilment, delivery and acceptance**

The place of fulfilment shall be the registered office of Mayser. The delivery of all goods and commodities is effected ex domestic works. The shipping charges shall be borne by the purchaser. Orders are considered as accepted only if nothing to the contrary is stated within a period of fourteen (14) days as of the date said order has been placed. All goods and commodities actually ordered are shipped uninsured. The costs incurred for special packing shall be born by the purchaser. We reserve the right to change our prices if, up to the date the contract is fulfilled, the commodity prices, wages, taxes, etc. change substantially.

**Conditions of payment**

Payment less a discount of 4 % within ten (10) days as of the date of the invoice.

Payment less a discount of 2.25 % within thirty (30) days as of the date of the invoice.

Payment net without deduction within sixty (60) days as of the date of the invoice.

All payments actually effected will always be used for the settlement of the oldest accounts payable. In each individual case, the post mark showing the date on which it was posted shall be decisive with regard to the effecting of the payment. With bank transfers, the day before the credit entry is made by the purchaser's bank shall be considered as the day the payment is effected.

With all payments effected after due date, a default interest rate of 8 % above the corresponding base rate of the German Central Bank (Deutsche Bundesbank) will be billed. The seller shall, prior to the complete settlement of all invoice amounts including interests due at that time, not be obliged to deliver any goods or commodities under any current contract.

**Reservation of title**

1. The ownership of the goods and/or commodities actually supplied including supplementary claims, claims for damages and the encashment of cheques and/or bills of exchange shall, up to the complete payment of all amounts receivable due on account of the goods and commodities actually delivered during the complete business relationship, remain with Mayser. The retention of title shall also remain effective if Mayser decides to include individual accounts payable into an open account and, subject to the condition that this is accepted, strikes the balance thereof.
2. In the event the purchaser amalgamates, joins, combines, mixes or processes the goods and/or commodities delivered to him subject to retention of title in such manner that they become a new chattel, any such procedures shall be considered as performed on behalf of Mayser without any obligations for Mayser. The purchaser shall, through the amalgamation, joining, combining, mixing or processing described here above, not obtain the ownership of the new object or chattel as specified in §§ 947 ff BGB (German Civil Code). In the event the goods and/or commodities Mayser has delivered subject to retention of title are amalgamated, joined, combined, mixed or processed with objects not owned by Mayser, Mayser shall acquire the co-ownership of the new object or chattel thus created and shall so acquire in accordance with the ratio between the invoice value of the goods and/or commodities delivered subject to retention of title and the overall value of the new object or chattel.
3. In the event a central regulation office is involved in the business transactions between Mayser and the purchaser that assumes the del credere liability, Mayser hereby transfers the ownership of the goods and/or commodities upon the shipment of said goods and/or commodities to the central regulation office subject to the suspensive condition that said central regulation office be obliged to pay the purchase price. The purchaser shall only be exempted from his obligation to pay after payment was effected by the central regulation office on his behalf.
4. The purchaser shall only be entitled to resell or process the goods and/or commodities delivered to him subject to the conditions specified hereafter.
5. The purchaser may only sell or process the goods and/or commodities delivered to him within the ordinary course of business and only in as far as his pecuniary circumstances do not lastingly worsen.
6. The purchaser hereby assigns to Mayser all claims including all ancillary rights and all probably existing balance claims he may have acquired by the resale of the goods and/or commodities delivered to him subject to retention of title.  
 If the goods and/or commodities have been amalgamated, joined, combined, mixed or processed and if Mayser has acquired co-ownership of said amalgamated, joined, combined, mixed or processed goods and/or commodities in the amount of the invoice value of goods and/or commodities actually delivered, the purchaser shall, prorated with regard to the value of his goods and/or commodities, be entitled to the trade accounts receivable owed to him.  
 In the event the purchaser has sold his trade accounts receivable within the limits of a factoring contract that he may have concluded with a factor or factoring firm, the purchaser hereby obliges himself to assign all accounts receivable against said factor that substitute all such initial claims to Mayser and to transfer the sales revenue realised by him pro rata with regard to the value inherent in the rights of Mayser to the goods and/or commodities actually delivered. The purchaser shall, subject to the condition that he is in arrears with the payment of an invoice for more than ten (10) days or that his pecuniary circumstances have worsened significantly, be obliged to reveal to the factor actually involved any such assignments and Mayser hereby accepts such assignments.
7. The purchaser shall, as long as he meets with his obligations to pay, be entitled to collect all assigned accounts. Said authority to collect these assigned accounts shall expire if the purchaser gets into default with his payments or if his pecuniary circumstances have worsened significantly. With respect to any such case, the purchaser hereby authorizes Mayser to inform the buyers of its empowerment to collect the outstanding accounts all by itself. Regarding the assertion of the assigned accounts, the purchaser shall also be obliged to furnish the required particulars and to allow that they be verified. In particular, he shall provide Mayser upon Mayser's request with a detailed list of all accounts receivable owed to him including the names and addresses of the buyers, the amount of the individual accounts, invoice dates, etc.
8. In the event the securities that exist in favour of Mayser exceed the purchaser's overall accounts receivable by a rate of more than 10 %, Mayser shall, upon the purchaser's request, at latter's option be obliged to release securities with regard thereto.
9. The pledging or the assignment as security of the goods and/or commodities delivered subject to title or of the accounts actually assigned shall be impermissible. Mayser must be informed of any such pledging by specifying the name of the corresponding pledgee.
10. If Mayser, in the exercise of its right to retain the title, takes the delivery item(s) back, this shall only be considered as a cancellation of the contract if Mayser announces this withdrawal explicitly. Mayser shall be entitled to satisfy itself by selling the goods and/or commodities taken back in exercising its right to the title to such goods and/or commodities.
11. The purchaser shall be obliged to hold the goods and/or commodities delivered to him subject to retention of title in safe custody on behalf of Mayser free of charge. He shall be obliged to insure them against all common types of hazards or risks, such as theft and/or damages sustained by fire and/or water and shall take out the usual insurance coverage. The purchaser hereby assigns all claims for damages and/or compensation to which he, by reason of all damages of the type and kind mentioned hereinbefore, is entitled to assert against insurance companies or all other persons, parties and/or entities liable for any of these damages actually sustained, to Mayser in the amount equivalent to the invoice value of the goods and/or merchandise actually supplied. Mayser hereby accepts this assignment.
12. All accounts receivable and all rights issuing from the retention of title to all goods and/or commodities, regardless whether amalgamated, combined, mixed or processed in what way ever defined in these Terms and Conditions of Payment and Delivery shall continue up to the complete release from all contingent liabilities (i.e. cheques and/or bills of exchange) which Mayser may have incurred on behalf of the purchaser. The purchaser shall, with respect to clause 1 hereinbefore, basically be allowed to use a factor or factoring firm to collect his accounts receivable. However, the purchaser shall, prior to entering any contingent liabilities, inform Mayser thereof.

**Place of jurisdiction**

Regarding all present and all future claims arising out of the business relationship with other companies including all claims based on bills and/or cheques, the exclusive place of jurisdiction shall be the competent court having venue in Lindau at the Lake Constance, Germany. Apart from that, the standard terms and conditions established by the German apparel & clothing industry in its currently operative version shall apply subject to and in due consideration of the special conditions established by the processing headgear industry.

**Governing law**

These Terms and Conditions of Payment and Delivery shall be governed by the laws of the Federal Republic of Germany. The UN Sales Convention on Contracts for the International Sale of Goods dated 11/04/1980 shall be excluded.