

GENERAL TERMS AND CONDITIONS

of Bocholter Weberei-Vorwerk SIEMEN GmbH ("SIEMEN" or "we") (as of 07/2025)

1. General

- 1.1 All deliveries, services and offers of SIEMEN are made on the basis of these General Terms and Conditions ("GTC"), provided that the buyer is an entrepreneur (§ 14 German Civil Code (BGB)), a legal entity under public law or a special fund under public law.
- 1.2 Our GTC apply exclusively. Conflicting, deviating or supplementary terms and conditions of the buyer shall not become part of the contract unless we expressly agree to their validity in writing. This requirement of consent shall apply in any case, for example even if we carry out the delivery to the buyer without reservation in the knowledge of the buyer's general terms and conditions.
- 1.3 Individual agreements made in individual cases (including side agreements, supplements and amendments) shall take precedence over these GTC. Subject to proof to the contrary, a written contract or our written confirmation shall be decisive for the content of such agreements.
- 1.4 Our GTC shall apply in the current version at the time of the order as a framework agreement (§ 305 (3) BGB) also for similar future offers and contracts without us having to refer to them again.

2. Conditions for the Delivery of Goods

For contracts for the delivery of goods, the German Yarn Contract in the version dated 1 January 2020 (*Deutscher Garnkontrakt*, "DGK") shall apply as part of these GTC, insofar as the provisions of the DGK do not contradict or are supplemented by the provisions of these GTC.

2.1 Conclusion of Contract

- 2.1.1 Our offers are subject to change and non-binding, unless they are expressly labelled as binding or contain a specific acceptance period.
- 2.1.2 The order of the goods by the buyer shall be deemed a binding contractual offer (unless there is a case of clause 2.1.1 half-sentence (2) of these GTC, in which case the buyer's order shall already constitute the legally binding acceptance of our offer). Unless otherwise stated in the order, we are entitled to accept this contractual offer within 2 weeks of its receipt by us.
- 2.1.3 Acceptance can be declared either in writing (e.g. by order confirmation) or by delivery of the goods to the buyer.

2.2 Retention of Title

- 2.2.1 Until full payment of all our present and future claims arising from the contract and the ongoing business relationship with the buyer (secured claims), we reserve title to the sold goods. These goods and the items which take their place in accordance

with the following provisions and which are also covered by the retention of title are hereinafter referred to as "reserved goods".

- 2.2.2 The buyer shall store the reserved goods for SIEMEN free of charge, treat them with care and insure them at his own expense against fire, water damage and theft at replacement value. The buyer hereby assigns to SIEMEN his claims for compensation against insurance companies or other compensation obligations to which he is entitled as a result of damage of the kind referred to in sentence 1 in the amount of SIEMEN's claims. SIEMEN hereby accepts these assignments.
- 2.2.3 The buyer is not authorised to pledge the reserved goods or to assign them as security. In the event of seizure of the reserved goods by third parties or other access to them by third parties, the buyer must clearly indicate SIEMEN's ownership and inform SIEMEN immediately in writing so that SIEMEN can pursue the ownership rights. If the third party is unable to reimburse SIEMEN for the judicial or extrajudicial costs incurred in this connection, the buyer shall be liable for such costs.
- 2.2.4 The buyer is entitled to use, process, convert, combine, mix and/or sell the reserved goods in the ordinary course of business until the realisation event pursuant to clause 2.2.10 of these GTC has occurred.
- 2.2.5 If the reserved goods are processed or remodelled by the buyer (§ 950 BGB), this processing shall always be deemed to have been carried out for SIEMEN as manufacturer in the name and on behalf of SIEMEN, and SIEMEN shall directly acquire the ownership or – if the processing or remodelling is carried out from materials of several owners, or if the value of the newly created item is higher than the value of the reserved goods – SIEMEN acquires co-ownership (fractional ownership) of the newly created item in the ratio of the value of the reserved goods (gross invoice value) to the value of this newly created item. In the event that, for whatever reason, SIEMEN does not acquire such ownership or co-ownership, the buyer hereby assigns to SIEMEN its future ownership or (in the aforementioned ratio) co-ownership of the newly created item as security; SIEMEN hereby accepts this assignment.
- 2.2.6 If the reserved goods are combined with other items not belonging to SIEMEN within the meaning of § 947 BGB or mixed or blended within the meaning of § 948 BGB, SIEMEN shall acquire co-ownership of the newly created item in the ratio of the value of the reserved goods (gross invoice value) to the value of the other combined, mixed or blended items at the time of combination, mixing or blending; if the reserved goods are to be regarded as the main item, SIEMEN shall acquire sole ownership (§ 947 (2) BGB). If one of the other items is to be regarded as the main item, the buyer hereby transfers to SIEMEN, insofar as the main item belongs to him, the proportionate co-ownership of the uniform item in the aforementioned ratio. SIEMEN hereby accepts this transfer.
- 2.2.7 The buyer shall hold SIEMEN's sole ownership or co-ownership of an item arising in accordance with the above provisions in safekeeping for SIEMEN free of charge.
- 2.2.8 The buyer hereby assigns to SIEMEN by way of security the buyer's claims for payment against its customers arising from a resale of the reserved goods as well as those claims of the buyer in respect of the reserved goods which arise against its customers or third parties for any other legal reason (in particular claims in tort and claims for insurance benefits), including all current account balance claims – in the case of SIEMEN's co-ownership of the goods subject to retention of title in proportion to SIEMEN's co-ownership share. SIEMEN hereby accepts these assignments.

SIEMEN hereby revocably authorises the buyer to collect the claims assigned to SIEMEN in its own name on behalf of SIEMEN. This shall not affect SIEMEN's right to collect these claims itself. However, SIEMEN shall not collect them itself and shall not revoke the authorisation to collect as long as the buyer duly fulfils its payment obligations towards SIEMEN (in particular does not default on payment), as long as no application for the opening of insolvency proceedings against the buyer's assets has been filed and as long as the buyer is not unable to pay (§ 321 (1) sentence 1 BGB). If one of the aforementioned cases occurs, SIEMEN may require the buyer to notify SIEMEN of the assigned claims and the respective debtors, to inform the respective debtors of the assignment (which SIEMEN may also do itself at its option) and to hand over to SIEMEN all documents and provide all information SIEMEN requires to assert the claims. Clause 2.2.2 of these GTC shall apply accordingly to the assigned claims. Notwithstanding the foregoing, SIEMEN shall be entitled at any time to inspect the stocks of reserved goods and claims assigned in advance.

2.2.9 If the buyer demands this, SIEMEN shall be obliged to release the reserved goods and the items and claims replacing them to the extent that their estimated value exceeds the amount of the secured claims by more than 20%. The selection of the items to be released shall be made by SIEMEN.

2.2.10 If SIEMEN withdraws from the contract in accordance with the statutory provisions due to the buyer's behaviour in breach of contract – in particular due to his default in payment – SIEMEN shall be entitled to demand the return of the reserved goods from the buyer. The demand for return is also to be understood as a declaration of withdrawal by SIEMEN. The purchaser shall bear the transport costs incurred for taking back the goods. Any seizure of the reserved goods by SIEMEN is also to be understood as a declaration of withdrawal.

2.3 Cores

Returnable cores must be returned to us clean and in perfect condition, carriage paid.

2.4 Division

The division of the ordered yarns must be carried out in good time. In the event of late division, we shall be entitled to the rights under § 375 German Commercial Code (HGB). Part 1, clause 5 of the DGK applies to contracts with open number and type assignment.

2.5 Defects and Warranty

2.5.1 Part 1, clause 8, paragraphs 6 and 7 of the DGK are completely replaced by the following provision:

If the delivery is defective and the buyer demands subsequent fulfilment due to the defect, SIEMEN may, at its discretion, either remedy the defect or deliver a defect-free item as a replacement. SIEMEN shall be liable for a replacement delivery to the same extent as for the original delivery item. The buyer's right to reduce the price or to withdraw from the contract in the event of failure of subsequent fulfilment remains

unaffected. Claims for damages and reimbursement of expenses due to defects shall be governed by Part 1, clause 8, paragraphs 8 and 10 of the DGK.

- 2.5.2 The limitation period for claims for defects is one year, calculated from delivery of the goods to the buyer. This shall not apply if the delivery of defective goods constitutes a wilful or grossly negligent breach of duty. Delivery means the handing over of the goods to the carrier.

2.6 Compensation for Damages

For clarification: Part 1, clause 10, paragraph 2 of the DGK refers to the exclusion of claims for damages in Part 1, clause 10 paragraph 1 of the DGK.

3. **Conditions for Textile Finishing**

The Unified Terms for Textile Commission Finishing Orders in the version dated 1 July 2012 (*Einheitsbedingungen für Textilveredlungsaufträge*, "EBTV") shall apply to contracts for work (*Werkverträge*) and contracts for work and materials (*Werk-lieferungsverträge*) in the field of textile finishing, insofar as the terms and conditions do not contradict or are supplemented by the provisions of these GTC.

3.1 Conclusion of Contract

§ 2 (1) of the EBTV shall not apply. The provisions of clause 2.1 of these GTC shall apply accordingly to the conclusion of the contract. For the avoidance of doubt, the period for acceptance of the buyer's order pursuant to clause 2.1.2 shall not commence until SIEMEN has agreed with the buyer all essential parameters for the fulfilment of the order (including the provision of the goods to be processed).

3.2 Exclusion of Liability

- 3.2.1 § 12(1) of the EBTV shall apply with the proviso that any liability of SIEMEN under this provision shall be excluded if the events listed were unforeseeable for SIEMEN.

3.3 Compensation of Damages

- 3.3.1 § 15(4) of the EBTV are completely replaced by the following provision:

In the following cases SIEMEN may not rely on exclusions of liability in the EBTV and shall be liable without limitation in accordance with the statutory provisions:

- a) for damages resulting from injury to life, body or health, which are based on an intentional or negligent breach of duty by SIEMEN, its legal representatives or vicarious agents,
- b) for other damage caused by an intentional or grossly negligent breach of duty by SIEMEN, its legal representatives or vicarious agents,
- aa) if a defect has been fraudulently concealed or a guarantee for the quality of an item has been assumed and
- bb) for claims for damages under the German Product Liability Act (*Produkthaftungsgesetz*, *ProdHaftG*).

In all other cases SIEMEN shall only be liable for slight negligence, including that of its legal representatives and vicarious agents, insofar as damage is caused by a breach of material contractual obligations (obligations whose fulfilment is essential for the proper performance of the contract and on whose compliance the buyer regularly relies and may rely), whereby this liability shall be limited to the typical damage which SIEMEN foresaw as a possible consequence of a breach of contract at the time of conclusion of the contract or which it should have foreseen if it had exercised due care. Indirect damages and consequential damages resulting from defects are only recoverable if such damages are typically to be expected when the goods are used as intended.

3.4 Default Interest

3.5 § 20 of the EBTV are completely replaced by the following provision:

If the buyer fails to pay when due, the outstanding amounts shall bear interest at the applicable statutory default interest rate from the due date. The statutory lump sum for default (Section 288 (5) BGB) shall be added. The assertion of higher interest and further damages in the event of default shall remain unaffected.

4. **Conditions for Mixed Orders**

If the buyer's order includes both the delivery of goods and services in the field of textile finishing, the conditions for the delivery of goods pursuant to clause 2 of these GTC shall take precedence and the conditions for textile finishing pursuant to clause 3 of these GTC shall apply in addition.

5. **Other Provisions**

5.1 Place of Jurisdiction

The exclusive place of jurisdiction for all disputes arising from the contract shall be Bocholt. SIEMEN shall also be entitled to assert claims at the general place of jurisdiction of the buyer.

5.2 Applicable law

These GTC and all legal relationships between SIEMEN and the buyer shall be governed exclusively by the laws of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) shall not apply.

5.3 Severability Clause

If individual provisions of the contract, these GTC or the relevant terms and conditions (DGK and EHTV) are or become invalid or unenforceable, this shall not affect the validity of the remaining provisions. The parties undertake to replace ineffective provisions with provisions that most closely approximate the provisions contained in the ineffective or unenforceable provisions in a legally permissible manner. The same applies to loopholes in the contract. In order to remedy the loophole, the parties undertake to work in a way that comes closest to what the parties would have determined according to the meaning and purpose of the contract if the point had been considered by them.