

General Terms and Conditions of Business of DGN Fashion GmbH

1. General

The deliveries, services and offers of DGN Fashion GmbH (hereinafter referred to as 'DGN') are provided to its business customers exclusively on the basis of these terms and conditions of business. The offers are non-binding. Differing terms and conditions of the customer will not be recognised by DGN unless they are expressly agreed to in writing.

2. Price, payment, counterclaims

2.1 The price is quoted EXW (ex works, Incoterms 2010) from the place of business of DGN or directly from the distribution warehouse or place of business of the upstream supplier plus any sales tax incurred unless otherwise agreed in writing.

2.2 The purchase price is due for payment within 60 days of the invoice date unless otherwise agreed in writing. We grant a 4% discount for payments made within 10 days of the invoice date and 2.25% for payments made within 30 days of the invoice date.

2.3 Payments are to be made to our account at Commerzbank Hamburg, IBAN: DE97 2004 0000 0471 5678 00, BIC/SWIFT: COBA DEFF XXX, stating the buyer's customer and invoice number and invoice date.

2.4 The buyer has a right to offset only if the buyer's counterclaims are determined without further legal recourse, are undisputed and/or were recognised by DGN. In addition, the buyer is authorised to exercise a right of retention only if the buyer's counterclaim involves the same contractual relationship.

2.5 If DGN is obliged to perform in advance then DGN may refuse to render its performance if, after the contract is entered into, it becomes apparent that its entitlement to consideration is jeopardised by the inability to perform of the buyer (cf. Section 321 of the German Civil Code [BGB]). The right to refuse performance is not applicable if consideration is rendered or security is given for it.

3. Delivery, passing of risk

The requirement for compliance with the agreed term of delivery is the performance in good time of the contractual obligations assumed by the buyer. Compliance with the delivery date is subject to the correct and on-schedule supply to DGN. Deviations in terms of quantity that are customary in the trade are permitted. In the case of a default in delivery the buyer is entitled to exercise a claim for damages only if the buyer has set an appropriate grace period after the occurrence of default and that period has elapsed without result and if DGN is at fault for the default in delivery. DGN is authorised to make partial deliveries if and when reasonable. If the

parties have agreed to a shipment by DGN then this shall be carried out at the risk of the buyer, even if DGN has assumed the transport costs. Government measures, riots, strikes, lock-outs, fire, bottlenecks in the supply of materials or energy, circumstances hindering transport as well as other grounds outside of the control of DGN which delay the normal completion of the shipment are considered 'force majeure' and entitle DGN to postpone the delivery date accordingly. DGN is obliged to promptly notify the buyer of such circumstances. If a delayed service provision is infeasible for a party due to these events then that party is entitled to withdraw from the contract.

4. Reservation of title

DGN shall reserve the title to the delivered products until the full payment of all receivables from the business relationship with the buyer. The buyer may sell the goods subject to reservation of title by DGN in the normal course business; the buyer is not granted a pledge, transfer by way of security or assignment for security without the express written consent of DGN. The buyer already now assigns to DGN all receivables to which the buyer is entitled from the further sale of the goods subject to reservation of title. This applies even if the products are sold together with other products not belonging to DGN for an overall price. Assignments within the meaning of this paragraph shall always be made only up to the amount of the invoice price of the goods subject to reservation of title. The buyer is authorised to collect the assigned claim until the cancellation permitted at any time. DGN already now accepts the assignments of the buyer provided for in this contract item. DGN shall undertake to release the securities of its choice to which it is entitled in accordance with the provisions above at the demand of the buyer, provided that their value exceeds the value of the receivables to be collateralised by more than ten percent. If the buyer is in default of payment then DGN can choose to prohibit the disposal of the goods subject to retention of title either in full or in part, e.g. only the sale. If the reservation of title requires the co-operation of the buyer, e.g. for registrations required by the laws of the buyer's country, in order to be effective then the buyer is to perform these actions. If the buyer meets the objective requirements of the obligation to file for insolvency then the buyer is to promptly notify DGN of this and any further disposals of the goods subject to reservation shall require the written consent of DGN.

5. Warranty, liability for defects

The buyer is obliged to promptly inspect the goods and promptly notify the seller of apparent defects. Notification within twelve days of delivery shall be considered prompt in this context. Breaches of this obligation shall result in approval of the goods in accordance with Section 377 of the German Commercial Code (HGB). The buyer is to notify the seller of hidden defects promptly after their discovery. In the case of justified defect complaints, the buyer has the right to repair or delivery of defect-free replacements at the choice of the seller. In this case DGN shall

bear the freight costs. Returns can only be sent back with a processing number. The buyer can obtain this by calling +49(0)40-55 97 89 0 (fax: +49(0)40-55 97 89 10). The pick-up of the goods will then be arranged at the expense of DGN. Return fees will not be recognised. If the supplementary performance fails then the buyer shall only have the right to reduce the purchase price or withdraw from the contract if item 6 does not apply. Goods are not permitted to be rejected for minimal technically unavoidable deviations in terms of quality, colour, width, weight or design. This also applies for deviations that are customary in the trade unless DGN has specified in writing that it will deliver an exact match to the sample.

6. General liability

Claims for damages of any type against DGN and its legal representatives and vicarious agents are excluded except in the case of intent, gross negligence or the breach of a primary contractual obligation. A primary contractual obligation in this sense means any obligation which must be fulfilled before it is even possible for the contract to be properly carried out and in compliance with which the buyer can routinely trust. However, the liability is limited to compensation of damages typically foreseeable for this type of contract, except in the case of intent. The limitation and exclusions of liability above do not apply for liability in accordance with the Product Liability Act or for cases of injury to life, body or health. The buyer's claims to reimbursement of expenses in accordance with Section 284 of the German Civil Code are waived if a claim to compensation for damages in lieu of performance is excluded according to the provisions above.

7. Sales system

The buyer is a member of the selective DGN sales system and is only permitted to sell the supplied goods in the retail outlets operated by the buyer that are specified in writing to DGN in the order,

e.g. as the delivery address, and approved by DGN. The buyer is only permitted to sell the supplied goods to end consumers or distributors authorised by DGN.

8. Place of fulfilment, choice of law, jurisdiction and arbitration agreement

The place of fulfilment for the deliveries and for the fulfilment of the warranty claims is the respective supplying plant. The exclusive place of jurisdiction is Hamburg if the buyer is a merchant, legal person under public law or a special investment fund or if the buyer does not have a general place of jurisdiction in Germany. The claimant has the right to instead alternatively go to the court of arbitration of the Hamburg Chamber of Commerce. If this is done then the court of arbitration is responsible exclusively for the claims asserted in the action. The respondent has the right to file a counterclaim with the court of arbitration. The place of arbitration is Hamburg and the language of proceedings is German. The proceedings and in

particular the hearing of evidence shall be carried out according to the rules of the regulations of the court of arbitration of the Hamburg Chamber of Commerce and the rules of Book 10 of the Code of Civil Procedure (ZPO). If one party is to reimburse the other party for any legal fees in connection with the arbitration proceedings then these are to be limited to the billable costs in accordance with the Act on the Remuneration of Attorneys (RVG). The law of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

9. Other

In addition, the Uniform Conditions of the German Textile Industry shall apply in their version from 1 January 2015. In the case of a contradiction, the terms and conditions of DGN shall take precedence.