

**General Terms and Conditions for HS Footwear GmbH
(Version from: June 2018)**

1. Offers, Conclusion of Contract

- a) Only our General Terms and Conditions are applicable. We do not recognise opposing conditions or conditions differing from our General Terms and Conditions unless we explicitly agree to them. Our General Terms and Conditions also apply when we carry out without reservation the delivery to the buyer with knowledge of opposing conditions or conditions differing from our General Terms and Conditions. Insofar as our Terms and Conditions align with the conditions of the buyer, the corresponding clauses are applicable.
- b) Our offers are subject to confirmation, insofar as nothing else is explicitly declared. This also applies to the offers contained in the catalogues and sales materials of the buyer, which in this respect are only to be understood as a request for a bid.
- c) Our General Terms and Conditions apply only to legal entities of public law, special assets under public law, and organisations in terms of § 310 para. 1 of the German Civil Code.

2. Quality of the Goods

As far as our offer is without obligation, the documents underlying the offer, like figures, illustrations, weight, measurement, and other technical information, are also only roughly authoritative, insofar as nothing else has been explicitly agreed. Measurements, weights, illustrations, and technical information in brochures are, insofar as nothing else is explicitly agreed, not the subject matter of a declaration on the quality of the goods. The stipulation of § 434 para. 1 sent. 3 of the German Civil Code remains unaffected by this.

3. Delivery

a) Terms of Delivery, Delay in Delivery

Should our delivery be delayed, then a grace period of 18 days in terms of §§ 281 para. 1, 323 para. 1 of the German Civil Code already applies.

b) Passing of Risk

The risk of the accidental destruction and the accidental deterioration of the goods is passed to the buyer upon provision of the goods at the agreed delivery location or with the transfer to the buyer and, for the purchase of shipping services, with the delivery of the goods to the person performing the transport. If shipping is delayed at the request of or due to debts incurred by the buyer, then the goods are stored at the cost and risk of the buyer. The stipulations of § 447 of the German Civil Code also apply when the shipment is performed by our own means of transportation or takes place from a location other than the place of fulfilment or if we bear the cost of freight. Inasmuch as it is desired by the buyer, he must insure the purchased goods against risks of conveyance at his own cost.

c) Self-Supply Reservation

The fulfilment of and adherence to our delivery responsibilities presupposes the correct and timely self-supply to us.

d) Force Majeure

Acts of God that we cannot control give us the right to delay the delivery or the execution for the duration of the hindrance and a reasonable elapsed time. If the delivery or execution is not possible or is unreasonable due to the aforementioned circumstance, we can withdraw in part or in full from the contract. Claims for damages are excluded in these cases.

Acts of God include strikes, lockouts, mobilisation, war, blockades, fire, significant disruptions to operations or transportation, and other circumstances that we cannot control that unreasonably hamper or prevent delivery or execution, whether it occurs for us, our suppliers, or one of our subcontractors. The buyer can demand that we clarify whether we want to withdraw from the contract or deliver within a reasonable period of time. If we do not clarify this, the buyer can withdraw from the contract.

4. Prices, Payment, Prepayment

- a) The stipulated prices are binding for a duration of eight weeks from the conclusion of the contract. After this, we have the right to adjust prices commensurate with the extent of the cost increase incurred by us since the conclusion of the contract. This applies in particular to price increases for imported goods due to fluctuations in exchange rates.

- b) Payment should occur at the latest 30 days after the invoice has been sent (date of invoice) so that the balance due on the invoice is available to the seller at the latest on the due date. If the buyer does not pay by the due date, then default of payment occurs. We allow a 3% discount for payments made within 10 days. Special items with price reductions are due net upon receipt of the goods. We only accept bills of exchange if we have explicitly agreed to do so. For payments by note, the discount charges are due by the buyer and are payable immediately. Discounts are not allowed if the buyer is in arrears on the payment of earlier shipments. If one specific means of payment is stipulated, then only it is allowed.
- c) If facts become known to us after the conclusion of the contract, in particular delay in payment from the buyer with respect to earlier deliveries, that, according to dutiful business discretion, can lead to a significant asset deterioration, through which the payment claim is endangered, then we have the right to make outstanding payments due immediately and to refuse services incumbent upon us until the return service is produced or a guarantee is provided for it. If the return service is not produced within a period of time set by us, if the guarantee is not provided, or if the provision of a guarantee is refused, we have the right to withdraw from the contract. Partial deliveries that have already taken place are due immediately, regardless of a withdrawal. Our other legal rights and claims remain intact.
- d) If the buyer is in default of payment, we have the right in accordance with legal stipulations to levy interest on arrears in the amount of 8 percentage points above the prime lending rate as well as any other damages. If the buyer does not pay the purchase price by the due date, we have the right to charge interest in the amount of 2% above the respective prime lending rate, but at least in the amount of the legal interest rate as per § 353 of the German Commercial Code (5%).

5. Warranty

- a) The assertion of the claims and rights of the buyer due to defective goods presupposes that the buyer has properly complied with his examination and reproof obligations in accordance with § 377 of the German Commercial Code. He must reprove apparent defects in writing and immediately, but at least within 14 days after delivery of the goods. The buyer must reprove hidden defects in writing immediately upon detection.
- b) We do not guarantee defects due to normal wear and tear, incorrect or careless handling, improper storage or unsuitable or improper use or non-observance of notices regarding processing and use.
- c) Insofar as there is a defect in the goods, we have the right to decide whether to provide a replacement delivery or to repair the goods after being informed of this defect by the buyer. We must take into consideration the type of defect and the legitimate interests of the buyer when deciding on the type of compensatory action.
- d) The buyer is obliged to provide to us the rejected goods or a sample thereof for the purpose of testing the reclamation. We can demand of our own choice and at our own cost that the rejected goods be shipped to us for testing or re-fulfilment or that the buyer keeps the rejected goods.
- e) Should the re-fulfilment fail after a reasonable period of time, the buyer can decrease or withdraw from the contract at will. If the buyer chooses to withdraw from the contract, then he stands to receive no claims for damage for the defect. If the buyer chooses compensation, then the goods remain with the buyer if he so chooses. The compensation is limited to the difference between the purchase price and the value of the defective goods provided that we did not maliciously cause the contract violation.
- f) If only a portion of the total delivery of goods is defective, then the buyer can only withdraw from the entire contract if he has no interest in the remaining portion of the delivery.
- g) The buyer can only assert the claims and rights of the buyer due to a defect in the goods within a warranty period of twelve months after the delivery of the goods. This does not apply to claims and rights, for which the law prescribes a longer period according to § 479 para. 1 of the German Civil Code (right of recourse).

6. General Limitation of Liability

- a) The above paragraphs conclude with the liability and the warranty for the goods and our responsibilities and exclude other

guarantees and claims for damages of any type and without regard for the legal nature of the prescribed claim, especially due to breach of duty due to an obligation or due to illegal handling as well as for claims for compensation for lost profit or due to other asset damages of the buyer. This does not apply in the case of the transfer of a warranty or a procurement risk or in the case of liability as per the Product Liability Act, for liability for damages from injury to life and limb and due to the culpable infringement of important contract responsibilities. For culpable infringement of important contract responsibilities, we are only liable for typical contract damages that can be reasonably predicted - except in cases of malice, gross negligence, and liability for damage to life and limb. A change in the burden of proof to the disadvantage of the buyer is not connected with this.

- b) As far as we have excluded or limited our liability, this also applies to the personal liability of our employees, wage-earning employees, salaried employees, or other auxiliary persons.

7. Retention of Title/Release of Covenant

- a) The goods, including the balance in our favour on open account, remain our property until payment has been made in full. When accepting bills of exchange and checks, the goods remain our property until these have cleared.
- b) The buyer has the right to resell the reserved goods only in proper business dealings. Pawning or cession by security is not allowed. We are to be informed immediately of pawning or any other infringement of our rights by third parties and are to be supported in the pursuit of our rights.
- c) Buyer requirements from the resale of reserved goods surrenders this to us for safety. We accept the transfer. The buyer is authorised to collect debts in the normal course of business as long as he complies with his payment responsibilities in accordance with the agreement.
- d) In the case of a serious deterioration in the economic position of the buyer, in particular in the case of default of payment, suspension of payment, and initiation of insolvency procedures, then the correction authorisation granted to the buyer lapses. In the case of behaviour contrary to contract stipulations and breach of important contract responsibilities of the buyer, in particular in the case of default of payment, we have the right, if the requirements are present for a withdrawal from the contract, to take back the delivered goods under retention of title, and to demand delivery of these goods from the buyer. The repossession of delivered goods by us is tantamount to a withdrawal from the contract. The buyer must reimburse us for the costs for the pickup and evaluation of the reserved goods. The buyer must send to us a detailed list of the remaining reserved goods as well as a list of garnishees of the requirements assigned to us. Regardless, we always have the right to perform appropriate research for the protection of our rights, in particular to visit storage spaces and store spaces as well as to view all necessary documents and books.
- e) When taking back the goods, we have the right to best utilise the goods by single-tender sales at our sole discretion. We will threaten utilisation by setting a period of one week. The revenue is credited against accounts payable after deducting the accrued costs, i.e. any balance is paid out.
- f) We will release the securities due to us at will if the value of the securities due to us exceeds our requirements by more than 20%.

8. Resale of the Goods

The buyer recognizes the selective sales policies of HS Footwear GmbH and promises to only sell the goods in customary amounts to consumers. Sale to third parties is only allowed with express consent from HS Footwear GmbH.

9. Final Provisions

- a) Insofar as nothing else is stipulated, the fulfilment location for our service is the delivery location and otherwise Osnabrück.
- b) Exclusive jurisdiction is Osnabrück. However, we have the right to sue the buyer for damages in his general jurisdiction.
- c) The law of the Federal Republic of Germany applies to the exclusion of the Uniform Commercial Code.
- d) The legal invalidity of any provision of the contract or the aforementioned conditions shall not affect the validity of the remaining agreements and conditions.