

# General Terms and Conditions of Purchase

Möbelfabrik Peters GmbH - Hans-Wilhelm-Peters-Strasse 2 - 33189 Schlagen

## General Terms and Conditions of Purchase

### 1. Validity of our General Terms and Conditions of Purchase

- 1.1. These General Purchasing Conditions (hereinafter also referred to as Purchasing Conditions) shall apply if we purchase services of any kind from the contractual partner.
- 1.2. Our conditions of purchase apply exclusively. They also apply to future business with the contractual partner. Any general terms and conditions of business of the contractual partner that deviate from our terms and conditions of purchase shall not be valid. This shall also apply if we accept services from the contractual partner and the contractual partner refers to his own conditions. However, the following terms and conditions of purchase shall not apply if the contractual partner is not a business, a legal entity under public law or a special fund under public law.
- 1.3. The contractual partner will be notified in writing of any changes to our terms and conditions of purchase. They shall be deemed to be accepted if the contractual partner does not object in writing within one month of receipt of the notification. We will make special reference to this consequence in the notification.

### 2. Orders

- 2.1. Orders are placed by us in writing or in textual form; verbal (telephone) orders require our written confirmation or confirmation in textual form. Written confirmation / confirmation in textual form is not required:
- In the case of statements made by our managing directors and authorised signatories within the scope of their power of representation;
  - for declarations made by employees to whom we have granted power of representation contrary to the above and/or for employees who, despite the above, act with apparent and/or acquiescent power of attorney and/or
  - for agreements made after conclusion of the contract.
- 2.2. The content and scope of the order shall be set out exclusively in the order.

### 3. Documents, confidentiality, material / tools provided, acquisition of ownership

- 3.1. All order documents made available by us to the contractual partner (in particular samples, models, drawings, calculations and similar information of a physical or non-physical nature, also in electronic form) remain our property and may not be brought to the attention of third parties and in particular may not be used for competitive purposes. The contractual partner may not use these order documents to provide services to third parties. In the event that the contract is not concluded, as well as after completion of the order, the contractual partner shall return the documents to us free of charge. The contractual partner is not entitled to make and retain copies. Statutory duties to preserve records remain unaffected by this section 3.1.
- 3.2. The contractual partner is obliged to make all information, which is expressly designated by us as confidential or whose need for secrecy arises from the circumstances, accessible to third parties only with our express consent.

- 3.3. If we have provided the contractual partner with tools or similar devices for the production goods / provision of the service, these remain our property. The contractual partner undertakes to handle and store the items with care and shall insure them against breakage, fire, water and theft as if they were its own property. Claims against the insurance company for these items are hereby assigned to us. The contractual partner may not make the tools etc. available to third parties without our express consent. The contractual partner is prohibited from manufacturing for third parties with these tools; for each case of violation of this obligation, the contractual partner promises a contractual penalty of €25,000. The contractual penalty is not forfeited if the contractual partner is not at fault. Any further claims for damages on our part to cease and desist remain unaffected. The contractual penalty shall be set off against any further claims for damages.
- 3.4. If we have provided material to the contractual partner for the provision of the service for us, this remains our property. The contractual partner undertakes to treat our property with care and shall insure this against breakage, fire, water and theft as its own property. Claims against the insurance company concerning these objects are hereby assigned to us. Any connection, processing and mixing of the material is done for us. In the case of combination, processing and mixing, we acquire co-ownership of the new object in the ratio of the value of our object to the other objects at the time of processing, mixing or combination. If the combination or mixing is carried out in such a way that the object of the contractual partner is to be regarded as the main object, we and the contractual partner have agreed as of today's date that co-ownership of the main object is transferred to us in the ratio of the value of our object to the value of the main object. The contractual partner shall keep the co-ownership safe for us free of charge.
- 3.5. The foregoing section 3.4 shall apply accordingly to tools or devices if they are combined, processed and/or mixed.
- 3.6. If the content of the contract entitles the contractual partner to demand payment on account the contractual partner has agreed as of today's date that we acquire ownership of the object of the service subject to a condition precedent with the payment of the payment on account. If the contractual partner is still in possession of the object, it will henceforth keep it safe for us free of charge; any claims for restitution against third parties with regard to the object of the service are hereby assigned to us. The contractual partner's commercial rights of retention remain unaffected by our acquisition of ownership. Sections 3.3 to 3.5 shall apply to our property acquired in accordance with the foregoing. Upon request, the contractual partner must prove to us that there are no third-party rights to the property to be assigned to us in accordance with the above, in particular no retentions of title by suppliers, transfers of ownership by way of security in favour of banks etc. and landlord liens. The provisions of this section 3.6 shall apply accordingly to final payments/advance payments.

### 4. Deliveries, place of performance

- 4.1. The goods shall be delivered free of charge to our

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business address at the costs and risk of the contractual partner or, if a different place of dispatch has been agreed, to this address. This shall apply accordingly to other services if an object is to be transported. Unloading is the responsibility of the contractual partner. The risk of accidental loss and accidental deterioration shall pass to us upon completion of the unloading of the goods / completion of the service at the aforementioned location.

4.2. The deliveries must comply with the respective legal provisions and the packaging provisions of the recipient (delivery address) in terms of presentation and content.

4.3. Exclusive place of performance for all services is the place of receipt (usually the place according to our business address, where applicable, by way of derogation the place of dispatch)

## 5. Social standards

Minimum social standards must be observed when providing services for us. The supplier warrants that the provisions of national labour law are observed, with due regard to international agreements, in particular the ILO. It shall ensure that the products are not manufactured by child labour or forced labour, that employees are paid wages that comply with applicable laws and/or local manufacturing industry standards, that the maximum working hours per week do not exceed 48 hours and the number of overtime hours per week does not exceed 12 hours, that employees are entitled to their own day off after six working days, that no discrimination exists based on reasons inherent in the personality or beliefs of the individual employee to restrict the employee in their right to join organisations and to bargain collectively. In addition, the supplier must ensure safe and healthy working conditions and comply with the environmental and safety provisions. The supplier must place subcontractors accordingly under similar obligation.

## 6. Information on delivery notes and invoices; documents (warranty certificates, test certificates etc.)

6.1. Each shipment must be accompanied by the corresponding delivery note without price indication. The number of shipping units in the entire shipment must be specified. The package with the delivery note must be clearly marked. Each shipping unit must be marked with the information required in the packaging instruction. In all the supplier's documents (in particular in delivery notes and invoices), the following data must be provided as a minimum in typescript for the ordered/delivered articles:

- a. Supplier number
- b. Code number of the addressee
- c. Date and number of the order
- d. Our article number
- e. Article number of the contractual partner
- f. Value added tax number
- g. Tax number
- h. Article and type denomination as per order
- i. Delivery note number
- j. Delivery quantity and order quantity
- k. Where applicable, marking whether the delivery is partial or complete
- l. Indication of the shipping method

m. Indication of the type of packaging and number of packages (number of packages and total weight of the consignment)

6.2. The contractual partner shall be obliged to hand over and transfer to us all documents relating to the goods/service (completed warranty certificates, test certificates, instructions for use, installation instructions etc.) without remuneration and free of charge upon delivery of the goods/service.

6.3. The contractual partner is entitled to make partial deliveries only with our express consent. In the case of partial deliveries, the remaining quantity must be listed on the delivery note.

6.4. In the case of deliveries in drop shipment business, we are to be informed by written dispatch notes.

## 7. Delivery dates

7.1. The delivery date is stated on our order.

7.2. The contractual partner must inform us immediately if it is foreseeable that the agreed delivery date cannot be complied with; further claims due to delay remain unaffected by this obligation.

7.3. The contractual partner has assigned to us as of today's date by way of security claims against its supplier (or other service provider) for compensation for damages caused by delay and damages instead of the services to which it is entitled because it is liable to compensate us accordingly. The assignment serves to secure our claims for damages. In all other respects section 10.6 shall apply accordingly.

7.4. In the event of a delay in delivery, we can claim a flat-rate damages for default amounting to 2% of the net value of the goods (or the net value of the other service). The contractual partner shall be entitled to prove that no damage or only minor damage has occurred; the flat-rate damages shall then be reduced accordingly. We reserve the right to assert higher damages caused by default.

## 8. Delivery times

8.1. In the case of guaranteed delivery times, the period of company holidays is added to the normal time (conditions: written information from the manufacturer or supplier to us).

8.2. We are entitled to refuse acceptance of the goods/acceptance of the service in the event of force majeure, operational disruptions, strikes and lock-outs, other unrest and official orders, provided that these obstacles cannot be attributed to us. If these obstacles exist for a period of more than one month, we shall be entitled to withdraw from the contract and to reclaim payments already made, provided that we are not already entitled to these rights on other legal grounds before the expiry of this period. If partial deliveries have already been made and we have an interest in retaining the services already rendered, the consequences of withdrawal shall be limited to the partial services not yet rendered.

## 9. Properties and condition, requirements of the manufacturing process

9.1. The properties of the products delivered or services rendered by the contractual partner which are relevant for the safety of our products or our production are deemed to be warranted (§276 (1) 1st sentence, 2nd

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key statement German Civil Code) if the significance of these properties for the safety of our products or our production must be recognisable to the contractual partner on the basis of his own specialist knowledge or if we have specifically pointed out the significance of the properties for the safety of our products or our production at or before conclusion of the contract. This information may be provided in the form of drawings, plans, test specifications or similar and by means of standard abbreviations. Further agreements on the warranting of properties before, during or after conclusion of the contract remain unaffected; such agreements can in all cases also be made verbally or by reference to drawings, plans etc.

9.2. The following limit values must be observed as a minimum by the supplier:

- PAHs (16 polycyclic aromatic hydrocarbons according to US-EPA (<0.1 mg/kg per PAH substance))
- Phthalates (DEHP, DBP, DINP, DIDP, DNOP, BPP) <0.1 % (1000mg/kg) per phthalate substance)
- Nonylphenols <0.01 % (100 mg/kg)
- Dimethyl fumarate <0.1 mg/kg

In addition, the supplier must ensure compliance with the respective legal limits and the limits recommended by professional associations.

9.3. If we have agreed quality samples with the contractual partner, the services provided by the supplier must as a minimum equate to the properties and condition of the samples.

9.4. The services provided by the contractual partner must as a minimum comply with quality conditions customary in the trade. The provision of services by the contractual partner may not violate applicable regulations including packaging and labelling provisions and may not infringe the rights of third parties. At the very least, all other requirements of public law or competition law must also be complied with. Advertising statements and instructions for use for the goods/services must be correct in content, legally unobjectionable, complete, understandable and written in German (as well as other languages pursuant to agreement).

9.5. Any further requirements regarding the properties and condition/production process to be observed by the contractual partner remain unaffected by the foregoing sections 9.1 to 9.4.

### 9.6 Electrical products

For each new electrical product, Pelipal requires all relevant and necessary documents (including the declaration of conformity and the REACH declaration) in advance - at least 14 days before the start of series production.

For serial production: all products must be marked, inter alia, with the CE mark and the date of production.

The batch number/serial number must be indicated on the packaging (cartons) and delivery documents.

For 230V components (e.g. transformer, lights, switches, socket modules), test reports on LVD (Low Voltage Directive) and EMC (electromagnetic compatibility) are also requested. These test reports must be submitted to us - or to the accredited test institute, Prüfinstitut OBL ([www.obl-gmbh.de](http://www.obl-gmbh.de)) - for testing purposes no later than 3 months after the start of series production.

If the test reports are not available on time, we will have a test report prepared at the supplier's costs. Should the test reports provided have been prepared outside the European Union (e.g. China), they will be forwarded to the OBL Testing Institute for review and evaluation. If we are requested by the market surveillance authority as part of a test to provide technical documents / records, we require our suppliers to provide these within 3 working days - if not yet provided.

*Further detailed information on*

*\*Electrical products\* can be requested from our Quality Assurance department.*

### 10. Claims due to defects (warranty)

10.1. We are entitled to the statutory warranty rights (claims for defects) in full.

10.2. The contractual partner warrants compliance with the characteristics warranted in accordance with section 9.1 and compliance with the limit values in accordance with section 9.2.

10.3. The limitation period for claims based on material defects is:

a. At least 6 years from the transfer of risk

- for buildings,

- for objects used for buildings in accordance with their usual use, which have caused their defectiveness

- for works whose success consists in the provision of planning or supervision services for a building,

b. otherwise, at least 5 years from the transfer of risk, unless a longer period of limitation results from the law.

10.4. If §§ 377 and 381 German Civil Code are applicable, the following shall apply in addition to the statutory provisions:

a. We will initially only inspect delivered products with regard to their identity, for transport damage visible on the outside of the packaging and on the basis of the delivery note for obvious quantity deviations. We will give notice of any deviations identified in this process. In all other respects, we shall be responsible only for the proper inspection of the products in connection with their further processing by us.

The foregoing does not apply to the delivery of products, where the passage of time threatens to thwart evidence and an immediate inspection is customary in the trade (e.g. in the case of delivery of foodstuffs or other perishable products).

b. If we are responsible for the notification of defects, the period for notification shall be at least two weeks, unless a longer period is customary in the trade. The foregoing does not apply to obvious transport damage and in the case of delivery of products to us, where the aforementioned lapse of time may cause difficulties in providing evidence (e.g. in the delivery of foodstuffs or other perishable products).

c. If we are responsible for the notification of defects, the dispatch in good time of the notice of defects preserves the time limit. If the notification of defects is not received by the contractual partner despite being sent, the notification of defects shall nevertheless be deemed to be in good time if we repeat it immediately after determining the missing receipt.

10.5. Further rights in accordance with §§ 478 and 479 German Civil Code remain unaffected in all cases.

10.6. The contractual partner hereby assigns to us

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by way of security claims for defects against its upstream supplier (or in the case of other services the other service provider) to which it is entitled on account of the service provided to us. However, the contractual partner remains authorised to assert these claims in its own name in the ordinary course of business. The assignment serves to secure the defect claims to which we are entitled against the contractual partner. We shall disclose this assignment of claims to us against the pre-supplier (or other service provider) and assert these claims ourselves only if the contractual partner is in default of fulfilling our claims against him due to defects and we have twice granted the contractual partner a reasonable period of grace under threat of disclosure of the assignment to us and this period of grace has expired without result. There is no need to set a deadline if this is impractical (e.g. in the insolvency of the contractual partner). On authorised disclosure by us, the authorisation of the business partner to assert claims expires. The above provisions on assignment by way of security shall apply mutatis mutandis to claims to which the contractual partner is entitled against the upstream supplier (other service provider) in connection with the service obtained in this respect from tortious acts or other legal bases for claims, if we have similar claims against the contractual partner.

### 11. Product liability

11.1. If product liability cases arise as a result of faulty (§3 Product Liability Act), unsafe, functionally ineffective or defective products or developments or services (hereinafter referred to as "insufficient services") of the contractual partner, the contractual partner is obliged to release us from liability arising from such production cases, unless the contractual partner is not liable for this himself by reason of the Product Liability Act.

11.2. If, as a result of inadequate performance on the part of the contractual partner, recall actions or official market monitoring measures (e.g. conditions, sales restrictions/prohibitions, securing, destruction, recall requirements, product warnings) occur, which are to be carried out by us or one of our customers or its customer etc. or must be complied with, the contractual partner shall also bear the total costs associated with this, unless it itself is not liable for this in the external relationship. We shall inform the contractual partner of all cases in which recall actions or official market surveillance measures are imminent. We will involve the contractual partner in the assessment of the risk situation and will seek to reach an amicable agreement on the scope and execution of the measures to be taken.

11.3. §§ 5 Product Liability Act and 254 German Civil Code remain unaffected.

11.4. Any further claims to which we are entitled by law or arising from the other provisions of these Terms and Conditions of Purchase, in particular from sections 9 and 10, shall remain unaffected.

### 12. Third-party rights

The supplier warrants (§434 German Civil Code) that the distribution of the delivered goods does not violate the rights of third parties, in particular distribution ties or property rights such as patents, trademarks, utility models, design patents, copyrights in the country of

delivery.

### 13. Prohibition of assignment

Claims of the contractual partner arising from the business relationship with us may not be assigned to third parties or encumbered with third-party rights without our express consent. If the claim of the contractual partner relies on a mutual commercial transaction, §354 a German Civil Code applies. By way of derogation from the foregoing, assignments of the contractual partner on the basis of extended reservations of title effectively agreed with its supplier and customary in trade are also effective without our consent. The supplier must inform us immediately of such assignment.

### 14. Retention rights of the contractual partner, offsetting by the contractual partner

14.1. The contractual partner shall be entitled to the defence of non-performance of the contract without restriction if the legal requirements are complied with.

In all other respects, rights of retention apply:

The contractual partner shall be entitled to a right of retention only with regard to undisputed claims, claims which have been determined as legally binding or ready for decision. Rights of retention can be asserted only to the extent and in the amount corresponding to the value of the counterclaim. We are entitled to ward off rights of retention by means of security, which can also be provided by means of a bank guarantee; the security is deemed to have been provided at the latest when the contractual partner defaults on acceptance of the security.

14.2. The contractual partner may offset our claims only against undisputed, legally established or decision-ready claims.

### 15. Our liability

15.1. Our liability for compensation for damages is limited in accordance with the following, insofar as it depends on fault or the need to be represented. We are liable for damages from fault-dependent liability or liability that is dependent on representation, for whatever reason, in the following cases only:

- a. If we, our legal representatives or our vicarious agents have acted with culpable intent or gross negligence,
- b. if we have issued warranties, for the fulfilment of these warranties to the agreed extent,
- c. in case of injury to life, limb and health,
- d. in the case of a simple negligent breach of material contractual obligations. Material contractual obligations within the meaning of these terms and conditions of purchase are obligations, the fulfilment of which is essential for the proper execution of the contract and on compliance with which the contractual partner may routinely rely. In the event of a simple negligent breach of material contractual obligations, our liability for damages shall be limited to compensation for foreseeable damages and damages typical of the contract.

e. A reversal of the burden of proof to the detriment of the contractual partner is not associated with letters a) to d).

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15.2. The above provisions apply accordingly to claims for compensation for futile expenditure (§284 German Civil Code)

15.3. The above limitations of liability shall apply accordingly to the liability of our employees, executives and organs.

15.4. Further statutory limitations of liability or further limitations of liability in these terms of delivery remain unaffected.

### 16. Payments, discounts, bonuses

16.1. Payments are made at our discretion by cash payment, bank transfer or check. The exclusive place of performance for the fulfilment of our payment obligations is the location of our registered office.

16.2. Payments are due 45 days after faultless delivery of the goods or after receipt of the invoice - whichever occurs last. In the case of partial deliveries, the receipt of the last partial quantity is decisive, in the case of premature delivery the agreed delivery date. If payment is made within 30 days of receipt of the goods/service or invoice, we are entitled to deduct a 3% discount from the net amount, unless otherwise agreed.

16.3. If we have agreed with the contractual partner that he will grant us bonuses, the following shall apply:

The contractual partner must settle accounts for the bonuses without being requested to do so, at the latest upon expiry of the respective agreed period, if no period has been agreed, at the latest by 31 March of the following year. The maturity of the bonus is not postponed by the foregoing. We are always entitled to set off claims for bonuses.

### 17. Prices and price warranties

The prices can be increased only after a minimum of three months' notice and written confirmation from us. For all current orders, the lowest prices and most favourable conditions of the supplier noted in the period between placing of the order and delivery shall apply, but under no circumstances higher prices or less favourable conditions than in our orders. Orders from abroad are generally carried out on a Euro basis, unless otherwise specified by us.

A price warranty is agreed for listed items. Price changes intended by the contractual partner for such articles must be notified at least 12 weeks in advance before they come into effect. Messages received later will only be acknowledged after 12 weeks. Modified prices are again subject to the agreed warranty periods from the time they come into force.

Price changes for items not covered by the price warranty and for those listed in accordance with a valid purchase price list must also be reported in writing to our central purchasing department.

### 18. Final provisions

18.1. German law applies. German law is also applicable if German law provides for the applicability of foreign law. The application of the UN Convention on the International Sale of Goods is excluded.

18.2. If the contractual partner is a merchant, the exclusive place of jurisdiction is the business address of the invoice recipient. If the contractual partner is not a

merchant, the following applies: The exclusive place of jurisdiction is the location of the invoice recipient, if the contractual partner does not have a place of jurisdiction in Germany or, after conclusion of the contract, relocates its domicile or usual place of residence outside the territory of the Federal Republic of Germany or its domicile or usual place of residence is not known at the time the action is filed.

18.3. If and insofar as provisions of these Terms and Conditions of Purchase are invalid in whole or in part, the law shall apply in place of the invalid provision; the validity of the remaining provisions shall remain unaffected.