

## **General Terms and Conditions of Purchase of the brandgroup**

### **I. Validity**

1. These General Terms and Conditions of Purchase shall apply between Brand KG, with its registered office in Anröchte, as well as its subsidiaries within the meaning of §§ 15ff. AktG (German Stock Corporation Act) - hereinafter referred to as "**Purchaser**" - and entrepreneurs, legal entities under public law or special funds under public law within the meaning of Section 310 (1) BGB (German Civil Code) - hereinafter referred to as "**Suppliers**"
2. Our orders as well as all deliveries, services and offers of our Suppliers shall be made exclusively based on these General Terms and Conditions of Purchase. These General Terms and Conditions of Purchase shall form an integral part of all contracts which we conclude with our Suppliers for the deliveries or services offered by them. They shall also apply to all future deliveries, services or offers to the Purchaser, even if they are not separately agreed again
3. The terms and conditions of our Suppliers or third parties shall not apply, even if we do not separately object to their application in individual cases. Even if we refer to a letter that contains or refers to the terms and conditions of business of the Supplier or a third party, this shall not be construed as an acceptance of the validity of those terms and conditions of business. The same shall apply to the acceptance or payment of goods or services.

### **II. Orders**

1. Unless otherwise agreed with the Supplier, our purchase orders or delivery schedules must be in writing to be effective. The written form shall also be deemed to have been complied with if the order or the delivery call-off is made by means of electronic data interchange (EDI) as agreed.
2. Unless our order expressly states otherwise, our order shall be deemed accepted if the Supplier does not object within 7 working days of receipt of our order.
3. Delivery schedules within the scope of an ongoing business relationship shall generally become binding if the Supplier does not object within 3 working days after receipt of the delivery schedule. This shall not apply if a different agreement has been expressly made with the Supplier.
4. Delivery schedules, delivery forecasts and comparable documents are basically legally non-binding communications to the Supplier which are intended to inform the Supplier about our possible requirements and to simplify the Supplier's planning. The quantities stated herein are subject to change or may be omitted altogether. Unless otherwise agreed in individual cases and unless we inform the Supplier in advance of a change in requirements, the requirements notified based on our non-binding delivery plans and delivery forecasts shall become binding orders for a maximum period of the last 4 weeks in the case of raw materials and for a maximum period of the last week in the case of non-raw materials.
5. We are entitled to change the time and place of delivery as well as the type of packaging at any time by written notification with a reasonable period of notice before the agreed delivery date. The same applies to changes in product specifications, insofar as these can be implemented within the framework of the Supplier's normal production process without significant additional expense. We shall reimburse the Supplier for any proven and reasonable additional costs incurred because of the change. If such changes result in delivery delays that cannot be avoided with reasonable efforts in the Supplier's normal production and business operations, the originally agreed delivery date shall be postponed accordingly. The Supplier shall notify us in writing of the additional costs or delays in delivery to be expected from him on careful assessment in good time before the delivery date after receipt of our notification in accordance with sentence 1.
6. Changes to the delivery item regarding quantity, design, execution, production process and production location always require our prior written consent. The same shall apply to the inclusion or change of sub-suppliers or subcontractors.
7. The Supplier's cost estimates shall be binding and shall not be remunerated unless expressly agreed otherwise.

### **III. Prices, terms of payment, invoice details**

1. The agreed prices are in EURO and are binding. In the absence of any written agreement to the contrary, the price includes delivery and transport to the shipping address stated in the order, including packaging, taxes, customs duties and other charges.
2. If, according to the agreement made, the price does not include packaging or transport and the remuneration for packaging or transport is not expressly determined, this shall be charged at the verifiable cost price. Upon our request, the Supplier shall take back the packaging at its own expense.
3. The price is payable within 30 days with a 3% discount or within 90 days net, in each case from receipt of the goods/services and proper invoicing. For the timeliness of the payments owed by us, the receipt of our transfer order at our bank is sufficient.
4. All order confirmations, delivery documents and invoices must state our order number, the item number, delivery quantity and delivery address. Should one or more of these details be missing and processing by us be delayed as a result within the scope of our normal business transactions, the aforementioned payment deadlines shall be extended by the period of the delay.
5. In the event of default in payment, we shall owe interest on arrears at a rate of five percentage points above the base interest rate pursuant to §247 BGB (German Civil Code).
6. In the event of defective delivery, we are entitled to withhold payment in proportion to the value until proper fulfillment.

### **IV. Delivery time and delivery, transfer of risk**

1. The delivery time (delivery date or period) specified in the order is binding. Early deliveries require our prior consent. If delivery "DAP" is not agreed, the Supplier shall make the goods available in good time, considering the usual time for loading and dispatch.
2. The Supplier is obligated to inform us immediately in writing if circumstances occur or become apparent according to which the delivery time cannot be met.
3. If the date on which delivery is to be made at the latest can be determined based on the contract, the Supplier shall be deemed to be in default upon expiry of such date without any reminder being required on our part.
4. In the event of a delay in delivery, we shall be entitled to the statutory claims without limitation, including the right to withdraw from the contract and the right to claim damages in lieu of performance after the unsuccessful expiry of a reasonable grace period.
5. In the event of delays in delivery, we shall be entitled, after prior written warning to the Supplier, to demand a contractual penalty of 0.5% of the respective order value for each commenced week of the delay in delivery, up to a maximum of 5%. The contractual penalty shall be offset against the damage caused by delay to be compensated by the Supplier.
6. The Supplier shall not be entitled to make partial deliveries without our prior written consent.
7. Even if shipment has been agreed, the risk shall not pass to us until the goods have been handed over to us at the agreed destination.
8. We are obliged to carry out incoming goods inspections regarding identity, quantity and obvious defects, i.e. transport damage. There is an obligation to immediately give notice of such obvious defects. Defects detected later (hidden defects) must be reported immediately after they become known. If and to the extent that more extensive requirements are imposed on the incoming goods inspection to be carried out by the Purchaser in accordance with § 377 of the German Commercial Code (HGB), the Supplier shall not invoke such requirements.

## V. Defects; Warranty

1. The Supplier warrants that the goods are free from defects, have the agreed quality and any specifications in our drawing, comply with the statutory provisions and the recognized rules of technology.
2. We do not waive our warranty rights by accepting or approving samples or specimens submitted or by agreeing to quality targets (e.g. ppm specifications); these are also not shortened.
3. The warranty period is extended beyond § 438 para. 1 no. 3 BGB (German Civil Code) to 36 months. § 438 para. 3 BGB (German Civil Code) remains unaffected.
4. In the event of delivery of defective goods, we shall be entitled to assert the statutory warranty rights and, in addition, to demand the following under the conditions listed below:
  - a. Prior to the start of production (processing, machining or installation), the Purchaser shall first give the Supplier the opportunity to sort out the defect and to remedy the defect or to make a subsequent (replacement) delivery, unless this cannot reasonably be expected of the Purchaser in the individual case. If the Supplier does not begin to remedy the defect immediately after our request to do so or if the Supplier cannot be reached, we shall be entitled in urgent cases, in particular to avert current risks to other legal assets or to avoid major damage, to remedy the defect ourselves or have it remedied by a third party at the Supplier's expense. The Supplier shall bear the costs incurred in this connection. We will inform the Supplier immediately about the elimination of the defect.
  - b. If the defect is not detected until after the start of production or processing, the Purchaser may demand subsequent performance and reimbursement of the expenses incurred for the purpose of subsequent performance, in particular transport and travel costs, labor costs (e.g. inspection, sorting, removal and installation costs) and material costs. This shall also apply in particular to costs incurred by the installation or removal of the defective goods in other objects or from other objects.
5. Upon receipt of our written notice of defects by the Supplier, the limitation period for warranty claims shall be suspended. In the event of replacement delivery and rectification of defects, the warranty period for replaced and rectified parts shall start anew, unless we had to assume from the Supplier's conduct that the Supplier did not consider itself obliged to take the measure, but only carried out the replacement delivery or rectification of defects as a gesture of goodwill.
6. Other statutory or contractual rights of the Purchaser shall remain unaffected by the provisions of this section.

## VI. Liability

1. Subject to any provision to the contrary, the Supplier shall be liable in accordance with the statutory provisions.
2. If a claim is made against the Purchaser based on statutory liability in accordance with non-mandatory law vis-à-vis third parties, the Supplier shall assume liability vis-à-vis the Purchaser to the extent that the Supplier would also be directly liable. The principles of §254 BGB (German Civil Code) shall apply accordingly to the compensation of damages between the Purchaser and the Supplier.
3. The Supplier shall be liable for measures to avert damage (e.g. recall action) insofar as such measure is based on the defectiveness of the goods delivered by the Supplier or any other breach of duty on the part of the Supplier. We shall inform the Supplier in such a case and give him the opportunity to cooperate as far as possible.

## **VII. Force majeure**

Force majeure, unrest, official measures and other unforeseeable, unavoidable and serious events shall release the parties from their performance obligations for the duration of the disruption and to the extent of its effect. This shall also apply if these events occur at a time when the contracting party concerned is in default unless it has caused the default intentionally or by gross negligence. The parties are obliged to provide each other with the necessary information without delay within the bounds of what is reasonable and to adjust their obligations to the changed circumstances in good faith. If the hindrance lasts longer than 3 months, either party may withdraw from the contract regarding the part not yet fulfilled.

## **VIII. Contract termination**

Either party may terminate a contractual relationship without notice for good cause. Good cause shall be deemed to exist in particular if insolvency proceedings have been opened against the assets of the other contracting party, if judicial or out-of-court composition proceedings have been opened, if a corresponding application has been filed, even if such application has been rejected for lack of assets, if the grounds for opening insolvency proceedings or comparable proceedings against the assets of the other contracting party exist, or if compulsory enforcement proceedings have been instituted against the entire assets of the other contracting party or a substantial part of such assets.

## **IX. Insurances**

1. The Supplier is obliged to ensure adequate insurance cover regarding its deliveries and services at its own expense.
2. In the case of deliveries of goods, this shall also include extended product liability insurance (including coverage for combination/mixing, further processing, further treatment as well as removal and installation) with an appropriate amount of coverage, but at least EUR 10 million per personal injury or property damage, which shall also apply to financial losses and must also include foreign losses including North America as well as worldwide coverage for motor vehicle recall costs in this amount. Upon request, the Supplier shall provide evidence of the insurance coverage.
3. The Supplier shall ensure that the extended product liability insurance taken out by it complies at least with the recommendations of the German Insurance Association (GDV) in the General Insurance Conditions for Liability Insurance and the Special Conditions for Product Liability Insurance for Industrial and Commercial Enterprises as amended from time to time.
4. If the Supplier has insurance coverage that goes beyond the warranty and liability claims of the Purchaser set forth in these General Terms and Conditions of Purchase (e.g. longer warranty periods; simplifications in the provision of evidence, etc.), the Purchaser shall also be entitled in this respect to assert claims against the Supplier or to invoke the provisions of the insurance coverage existing in favor of the Supplier.

## **X. Spare parts**

If the Supplier intends to discontinue the production of spare parts for the products delivered to us, it shall notify us thereof without undue delay after the decision on the discontinuation. This decision must be at least 6 months before the discontinuation of production.

## **XI. Securing property**

1. We reserve the ownership or copyright to orders placed by us, orders as well as drawings, illustrations, calculations, descriptions and other documents made available to the Supplier. The Supplier may not make them available to third parties, disclose them, use them himself or have them used by third parties, or reproduce them without our express consent. He shall return these documents to us in full at our request if they are no longer required by him in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. In this case, any copies made by the Supplier must be destroyed; the only exceptions to this are storage within the scope of statutory storage obligations and the storage of data for backup purposes within the scope of normal data backup.
2. Tools, devices and models which we make available to the Supplier or which are manufactured for contractual purposes and which are charged to us separately by the Supplier shall remain our property or shall become our property. They must be identified by the Supplier as our property, carefully stored, secured against damage of any kind and only used for the purposes of the contract. The costs of maintenance and repair of these items shall be borne by the Supplier. The Supplier shall notify us immediately of any damage to these items that is not merely insignificant. Upon request, he shall be obliged to return these items to us in proper condition if they are no longer required by him for the performance of the contracts concluded with us.
3. Models, matrices, templates, samples, tools and other means of production, as well as confidential information provided to the Supplier by the Purchaser or paid for in full by the Purchaser, may only be used for deliveries to third parties with the prior written consent of the Purchaser.
4. Materials and substances provided by us shall remain our property. Processing or assembly shall be carried out in the name and for the account of the customer as manufacturer; we shall acquire direct ownership or - if the processing is carried out from materials of several owners or the value of the manufactured item is higher than the value of the materials and substances provided - co-ownership of the newly created item.
5. Retentions of title by the Supplier shall only apply insofar as they relate to our payment obligation for the respective products to which the Supplier retains title. In particular, extended or prolonged reservations of title shall not be permissible.
6. Insofar as we remunerate development services of the Supplier by one-time payment, allocation to the part price or in any other way, the Supplier shall grant us a non-exclusive, irrevocable, transferable right, unlimited in terms of time, place and content, to use, modify, process and distribute these results free of charge with regard to its copyright-protected results (e.g. drafts, drawings, sketches, layouts, plans, design data, information) in connection with the development and the delivery.

## **XII. Property rights**

1. The Supplier warrants that in connection with its delivery no industrial property rights of third parties are infringed in countries of the European Union, North America or other countries in which the Supplier manufactures the products or has them manufactured.
2. The Supplier shall be obliged to indemnify us against all claims asserted against us by third parties on account of the infringement of industrial property rights referred to in the preceding paragraph and to reimburse us for all necessary expenses incurred in connection with such claim. This claim shall exist irrespective of any fault on the part of the Supplier.

### **XIII. Confidentiality**

1. The parties undertake to treat as business secrets all commercial and technical details which are not in the public domain and which become known to them through the business relationship. Sub-suppliers or subcontractors are to be obliged accordingly.
2. Without our prior written consent, the Supplier may not refer to the business relationship with us in advertising material, brochures, etc. and may not exhibit delivery items manufactured for us.

### **XVI. Set-off, retention, assignment**

1. We shall be entitled to rights of set-off and retention to the extent provided by law.
2. The Supplier shall not be entitled to assign its claims arising from the contractual relationship to third parties. This shall not apply insofar as it concerns monetary claims.

### **XVII. Compliance with laws**

1. The Supplier shall comply with all applicable laws affecting the manufacture and distribution of the goods and warrants that its actions in performance of this contract shall not cause the Purchaser to violate any laws, including but not limited to import or export laws, packaging regulations, requirements of the social responsibility and supply chain security guidelines of the countries in which the Purchaser conducts business.
2. Packaging: The Supplier complies with the packaging regulations of the countries of destination, in particular the requirements applicable to wood packaging according to ISPM 15 ("Requirements of Wood Packaging Materials").
3. Environment: The supplier undertakes to comply with the relevant environmental protection regulations. Environmental performance, including energy and resource efficiency, are decisive criteria in our supplier management. The supplier fulfills the expectations to use resources and energy efficiently and in an environmentally conscious manner.
4. Social responsibility: The supplier is also required to comply with human rights or environmental obligations within the meaning of Section 2 (4) of the German Supply Chain Duties Act (LkSG).
5. Counterterrorism security measures: Supplier warrants that it will comply with and cause its subcontractors and Suppliers to comply with 1) all applicable laws related to counterterrorism security measures and 2) all supply chain security guidelines of the applicable importing country, including the Customs-Trade Partnership Against Terrorism (C-TPAT) program as published by the United States, the Secure Trade Program (STP) as published by Singapore, and the European Union's Authorized Economic Operator (AEO) requirements. These recommendations and guidelines include, but are not limited to, transportation security, physical security, access controls, procedural security, personnel security, and security awareness training. Supplier warrants that all eligible points of origin for shipments to Buyer are registered with all applicable Known Shipper programs as known shippers.
6. Anti-corruption safeguards: The Supplier warrants that it and its affiliates or agents, as the case may be, in the performance of its work under this contract, have not promised, offered or made, or will not make, directly or indirectly, any payment of money or pecuniary advantage to any public official, public employee, political party or candidate for political office for the purpose of influencing any action or decision of such person or government to obtain or retain the contract or to direct it to any particular person or entity. The Supplier warrants that it and its affiliates or agents have not promised, offered or made, or will not make, directly or indirectly, any payment of money or pecuniary benefits to any employee of the Purchaser for the purpose of obtaining or retaining any orders.
7. In addition, the supplier must observe and implement further rules of conduct as listed in the Code of Conduct for Suppliers (SCoC). The supplier shall contractually agree to our SCoC and provide evidence of compliance with the requirements upon request. The Code of Conduct for Suppliers can be found in the download area on the brandgroup homepage or will be sent by us on request

**XVIII. Place of performance, place of jurisdiction, applicable law**

1. The place of performance shall be the registered office of the Purchaser. The exclusive place of jurisdiction for all disputes arising from the contractual relationship is Paderborn (Germany).
2. The contracts concluded between us and the Supplier shall be governed by the laws of the Federal Republic of Germany to the exclusion of the Convention on Contracts for the International Sale of Goods (UN Sales Convention).

**XIX. Salvatory clause**

Should any provision of these General Terms and Conditions of Purchase and the further agreements made be or become invalid, this shall not affect the validity of the remainder of the contract. The contracting parties shall be obliged to replace the invalid provision by a provision which comes as close as possible to the invalid provision in terms of economic success.

Anröchte, 05.02.2024

Signature of Management Board of brandgroup