

General Terms & Conditions of Purchase of PFENNIGPFEIFFER Handelsgesellschaft mbH

§ 1 Applicability of the Conditions

The deliveries and services of the suppliers of PFENNIGPFEIFFER Handelsgesellschaft mbH ("PFENNIGPFEIFFER") are provided solely on the basis of these General Terms and Conditions of Purchase. They therefore also apply to all future business transactions, even if they are not explicitly agreed again or if no explicit reference is made to these conditions. Deviation terms and conditions of the Supplier only apply if we explicitly agree to them in writing. Deviations from these Terms and Conditions of Purchase are only valid if they have been explicitly confirmed by us in writing. These Terms and Conditions of Purchase also apply if, in knowledge of contrary terms and conditions of the Supplier, or conditions that deviate from our Terms and Conditions of Purchase, we accept the Supplier's delivery unreservedly.

§ 2 Conclusion of a Contract

Legally binding orders must be issued on PFENNIGPFEIFFER forms. Terms and conditions of delivery, delivery quantities and delivery time/date for the products to be supplied by the Supplier will be defined in individual orders between PFENNIGPFEIFFER and the Supplier. Provided not explicitly agreed otherwise elsewhere, these General Terms and Conditions of Purchase apply to the individual orders. The Supplier undertakes to issue an order confirmation if requested by us. If the Supplier fails to accept the order within a period of 3 working days, PFENNIGPFEIFFER can cancel the order. Changes and additions to the order made by the Supplier are only valid if they have been confirmed by us in writing. On request, PFENNIGPFEIFFER is to be provided samples, colour and quality samples and digital photos (300 dpi) free of charge. Quotations on different forms, especially Supplier forms, are not binding, unless an explicit written statement is issued by PFENNIGPFEIFFER to accept such a quotation.

§ 3 Prices – Payment Terms – Exclusion of Assignment

1. We expect invoicing to conform to the legal requirements, and to be issued on the basis of the agreed prices and terms. In the event of substantial error, which disrupts the specified procedure, we are entitled to demand settlement of our costs.
2. All prices include VAT, unless shown separately.
3. Unless agreed otherwise, the agreed price includes the registration/licensing charges according to the German Packaging Law (VerpackG). The price also includes the disposal fees/costs according to the electrical waste and battery laws (ElektroG and BattG). Showing these sums separately on the invoice will not be accepted.
4. Unless agreed otherwise in writing, we pay the purchase price following delivery of the goods and receipt (day of receipt by post) of the proper, checkable invoice, within 60 days net, to be settled by cheque or bank transfer. If we accept deliveries that arrive early, the due payment date is based on the agreed delivery date.

In case of payment within 55 days we deduct a discount of 3% from the invoice sum.

5. An invoice is to be issued for each purchase order. Collective invoices will only be accepted by arrangement with the Purchasing department.
6. The following is to be typewritten on all the Supplier's invoices:
 - a. **PFENNIGPFEIFFER order number**
 - b. Name & address of the supplying company
 - c. Name & address of the recipient
 - d. Date of delivery or service
 - e. Quantity and name of the delivered products
 - f. Unit price per quantity unit
 - g. The net amounts, if applicable broken down by tax rates
 - h. The respective tax amounts on each of these
 - i. In case of tax exemption, a reference to this
 - j. Discounts granted (for each product)
 - k. Issue date (= invoice date)
 - l. A unique invoice number
 - m. Tax number or VAT number of the issuer

If the Supplier wholly or partly omits the above information, PFENNIGPFEIFFER is entitled to return the invoice to the Supplier with the request that they complete it. If the Supplier fails to provide the above mentioned information, any delays in processing the invoice and instructing the payment to settle the invoice are not the fault of PFENNIGPFEIFFER. The 30 day period for deduction of discount does not begin until the day on which we have all the information required by us.

7. Invoices on which different quantities are given from those acknowledge by the PFENNIGPFEIFFER warehouse must be corrected before processing and payment.
8. In the case of payments made abroad, the Supplier's bank charges shall be paid by the Supplier.
9. Samples or counter/reference samples to be produced by the Supplier are a necessary part of their offer and as such cannot be billed separately; samples and counter/reference samples become the property of PFENNIGPFEIFFER as means of control. Samples to be produced by the Supplier are to be delivered to PFENNIGPFEIFFER carriage paid. If PFENNIGPFEIFFER has samples to make or hand over, PFENNIGPFEIFFER shall also deliver these to the Supplier carriage paid.
10. Any assignment of the Supplier's accounts receivable is herewith excluded.

§ 4 Delivery Dates – Delayed Delivery – Force Majeure

1. The agreed delivery date is binding, unless explicitly agreed otherwise. The relevant date for meeting the delivery date or the delivery period is the date on which the goods are received at the place of receipt or use named by us or the punctuality of the successful acceptance. The Supplier will inform PFENNIGPFEIFFER in writing immediately of the reason and expected duration of a delay, as soon as it becomes identifiable that an agreed date cannot be met.
2. Default occurs with the exceeding of the delivery date, unless the Supplier is not responsible for the delay.
3. If the agreed delivery periods are exceeded, provided these are not agreed fixed dates, PFENNIGPFEIFFER shall set the Supplier a reasonable grace period for subsequent performance. If the Supplier also fails to deliver within the grace period set, PFENNIGPFEIFFER is entitled to withdraw from the Contract and to demand compensation instead of performance.
4. If the Supplier is responsible for failure to meet the agreed fixed dates, PFENNIGPFEIFFER can withdraw from the Purchase Agreement without setting a grace period and demand compensation instead of performance.
5. If the Supplier delivers earlier than agreed, PFENNIGPFEIFFER is entitled to charge for storage at a rate of € 0.50 per box and day and to deduct it from the settlement of the invoice or – at PFENNIGPFEIFFER's discretion – to refuse to accept the goods. The Supplier is free to prove that storage costs for this sum were not incurred or lower storage costs were incurred, with the consequence of a corresponding reduction in the storage charge.
6. In the event of default/delay (for which the Supplier is responsible), especially where promotional goods, and/or goods are not true to sample and/or goods deviate from the quality specification and/or not conformable to law and/or incomplete delivery, notwithstanding § 4 Para. 3 and 4, PFENNIGPFEIFFER is entitled to claim a contract penalty equal to 5 % of the order value of the relevant quantity (without VAT) for each week of delay started, however, in total no more than 20 % of the order value of the shortfall quantity. PFENNIGPFEIFFER is entitled to claim the contract penalty in addition to performance, provided it is still interested in delivery of the goods. Following fruitless expiry of a reasonable grace period set for the Supplier by PFENNIGPFEIFFER, PFENNIGPFEIFFER has the right to withdraw from the Purchase Agreement instead of performance; in the case of failure to meet agreed fixed dates, without setting a grace period. We reserve the right to make further statutory claims (For example: Advertising costs). If the Supplier proves that no loss or a substantially smaller loss has been incurred as a result of the delay, the above-mentioned lump-sum contract penalty reduces accordingly.
7. PFENNIGPFEIFFER undertakes to state whether or not it intends to claim the contract penalty within 10 working days, starting from the date of receipt or final refusal to accept the delivery. The right to make legal claims due to breach of duty remains reserved, although the contract penalty will be offset against possible claims for compensation.

8. In case of repeated delay/default in delivery (for which the Supplier is responsible) within short periods between such delays, following fruitless reminding of the Supplier, PFENNIGPFEIFFER can withdraw from further Purchase Agreements with the Supplier not yet fulfilled at this time.
9. Partial deliveries are basically not allowed, unless they are explicitly accepted by PFENNIGPFEIFFER.
10. In case of short deliveries, i.e. deliveries of less than the contractually agreed delivered quantity, following fruitless expiry of a reasonable period for subsequent performance and at its own discretion, PFENNIGPFEIFFER is entitled to make covering purchases with regard to the shortfall quantity, provided this is reasonable to expect the Supplier to accept in view of the circumstances of the individual case, the Supplier was warned of the intention to make a covering purchase when the grace period was set and the Supplier is informed by PFENNIGPFEIFFER accordingly before it makes the covering purchase. Claims according to § 4 Para. 6 remain unaffected. If PFENNIGPFEIFFER does not make use of this right, PFENNIGPFEIFFER is entitled to its full legal rights due to the shortfall in delivery, without reduction. In the case of agreed fixed date purchases the setting of a grace period is dispensable.
11. Overdeliveries will basically not be accepted. If overdeliveries, for which the Supplier is responsible, nevertheless occur, PFENNIGPFEIFFER is entitled to retain these excess goods, without remunerating the Supplier or – at PFENNIGPFEIFFER's discretion – to return the excess quantities to the Supplier, in which case PFENNIGPFEIFFER can invoice the Supplier for the costs for the return and handling costs incurred equal to 3% of the order value of the surplus quantity or can deduct the sum from the Supplier's invoice.
12. With the handover (incoming goods) PFENNIGPFEIFFER acquires direct title to the delivered goods. A simple retention of title is not recognised.

§ 5 Passing of Risk – Delivery – Packaging of the Goods

1. For DDP (Delivered Duty Paid) orders (free to Purchaser's address) the risk transfers to PFENNIGPFEIFFER on passing the loading ramp at the place of receipt and signing of the delivery note. For FOB (Free On Board) orders the passing of risk occurs on passing the ship's rail of the shipper named by PFENNIGPFEIFFER.
2. The goods shall be delivered and packaged according to the MTH Retail Group Logistics Guideline, to which overall reference is made.

If the Supplier disregards the MTH Retail Group Logistics Guideline or fails to fulfil their obligations to unload, PFENNIGPFEIFFER is entitled to make the legal claims. Work incurred due to disregard of the specifications will be charged at € 23.00 plus VAT per started hour and employee. The right to claim for higher losses remains. The Supplier is free to prove that no or a smaller loss has been incurred, with the consequence of a corresponding reduction in remuneration for the work incurred by PFENNIGPFEIFFER.

§ 6 Quality Standards

1. The Supplier assumes responsibility for ensuring that the delivered goods conform to the relevant national provisions of the Federal Republic of Germany and the provisions of the EEA (European Economic Area). They further guarantee that the goods delivered by them do not contain any components and/or substances, which are not marketable in Germany and/or exceed specified legal limits and/or which do not meet current state of the art technical and scientific standards. The recommendations of the German Federal Institute of Risk Assessment (Bundesinstitut für Risikobewertung) are binding. Furthermore, the respective relevant, legal environmental protection provisions must be complied with as well as the special, contractually agreed minimum quality requirements, according to any leaflet provided.
2. Before delivering the goods supplied and possible produced by them, the Supplier examines the goods to ensure compliance with the legal regulations that apply to them and assumes responsibility for this.
3. The Supplier established within the EEA undertakes to comply with the REACH regulations (EC Regulation No. 1907/2006) with regard to the goods and packaging delivered to PFENNIGPFEIFFER. In particular, they assure that the delivered goods/products and their packaging do not contain any substances on the respective current candidate list in accordance with Art. 59 Para 1 of the regulations in a quantity higher than 0.1 % weight by weight (SVHC substances).
4. The Supplier established within the EEA shall ensure that if the goods/product supplied by them or their packaging contains substances covered by the REACH regulations, they are registered according to the REACH regulations. The Supplier is obliged to register themselves or have (pre)-registered by their own suppliers all substances delivered to PFENNIGPFEIFFER, insofar as registration obligations under the REACH regulations apply to them. If, under the REACH regulations, the Supplier themselves obliged to register, they shall oblige their suppliers to comply with the obligations under the REACH regulations. Any registration made by the Supplier or their suppliers concerning the goods delivered is to be verified in writing to PFENNIGPFEIFFER on request.
5. The Supplier established within the EEA undertakes to send to PFENNIGPFEIFFER all information and documentation required under the REACH regulations (especially according to Art. 31 ff. of the REACH regulations) within the time limits allowed for in the REACH regulations and/or to forward to PFENNIGPFEIFFER the information of their suppliers without delay.
6. If claims are made against PFENNIGPFEIFFER by customers, competitors or the authorities due to breach of the REACH regulations, which are due to goods of the Supplier, PFENNIGPFEIFFER is entitled to demand that the Supplier responsible for the breach indemnify PFENNIGPFEIFFER against these claims or demand compensation for the losses, caused by non-existent REACH conformity. This also applies in particular if a Supplier fails to provide the information required according to Paragraph 5.
7. The aforementioned obligations apply accordingly (with the exception of the registration obligations), if the Supplier is established within Switzerland or outside the EEA.
8. In particular, they must inform PFENNIGPFEIFFER if the delivered goods/products and their packaging contain an SVHC substance with a quantity above 0.1 % weight by weight or substances covered by the REACH regulations can be released during normal and foreseeable use.
9. To enable PFENNIGPFEIFFER to check for possible registration obligations for substances in imported goods, the Supplier established in Switzerland or outside the EEA shall provide information on the substances contained in the goods and the level of these substances in the goods concerned. This obligation to provide information applies to goods considered to be substances, preparations and/or productions, from which substances are (intentionally) released. Where applicable the Supplier shall also provide PFENNIGPFEIFFER with such information required for the registration. In return, PFENNIGPFEIFFER assures that this information will only be used to fulfil the REACH obligations. If the named information is not made available by the Supplier, not even on request, PFENNIGPFEIFFER reserves the right, following fruitless expiry of a reasonable grace period set the Supplier, to determine the required information itself by way of analyses. The Supplier will be charged for any necessary costs.
10. The Supplier shall notify PFENNIGPFEIFFER without delay of all official criticisms as well as all criticisms and investigations of Stiftung Warentest and Öko-Test, which become known to them with regard to the delivered items.
11. PFENNIGPFEIFFER reserves the right to have the delivered goods randomly tested by an independent, accredited laboratory with regard to compliance with the legal provisions and agreed minimum quality requirements. PFENNIGPFEIFFER will invoice the Supplier for the test costs in case of culpable breach by the Supplier.

§ 7 Defects

1. The agreed property of the goods and the agreed special product specifications must be complied with. Deviations are only allowed after the prior written consent of PFENNIGPFEIFFER has been obtained.
2. PFENNIGPFEIFFER is obliged to check the goods within a reasonable period for any quality or quantity deviations; defect complaints are deemed issued on time if they are made within three working days of receipt of the goods. In the case of perishable goods (e.g. fruit and vegetables, dairy and fresh produce) the reasonable period is at least one working day. Concealed defects can be complained of within three working days of uncovering the defect. If the goods have already been sold on to the consumer, the time limit for making a complaint is met, if the consumer complains within the due time and PFENNIGPFEIFFER forwards to the Supplier the complaint received by PFENNIGPFEIFFER without delay.
3. Goods are also to be deemed to be defective if they do not conform to the respective legal provisions with regard to condition, packaging or labelling or if they differ from the sampling. § 434 BGB remains unaffected. PFENNIGPFEIFFER is entitled to refuse to accept a whole delivery if random samples of a consignment show defects or nonconformities.

Any purchase price already paid by PFENNIGPFEIFFER for refused goods shall be reimbursed immediately. Further claims, especially claims for compensation, remain reserved.

4. PFENNIGPFEIFFER is entitled to the legal warranty claims to their full extent; irrespectively of this, PFENNIGPFEIFFER is entitled to demand from the Supplier defect correction or substitute delivery, as chosen by PFENNIGPFEIFFER. Under the legal provisions, PFENNIGPFEIFFER is also entitled to withdraw from the Contract. In this case the Supplier is obliged, at their own cost, to take back all goods still held by PFENNIGPFEIFFER. The right to compensation, especially to compensation due to non-performance, remains explicitly reserved.
5. PFENNIGPFEIFFER is entitled, at the cost of the Supplier, to have the defect correction carried out itself, if the Supplier is in default/delay with the defect corrections or if there is a particular need for haste. A particular need for haste only exists in cases in which, due to particular urgency, it is no longer possible to inform the Supplier of the defect and the, in relation to the Supplier's warranty obligation, particularly high pending loss and to set them a period of time, even if short, to find their own remedy. If arranges to remedy the defects itself, it is entitled to deduct the costs incurred, at least € 0.15 € per item, when settling the invoice.
6. The basic warranty period is 36 months, starting from the date of receipt of the goods by us. § 479 BGB remains unaffected.
7. In the case of a purchase on sample, the properties of the sample are to be deemed as assured by the Supplier.
8. PFENNIGPFEIFFER is entitled to invoice suppliers for costs incurred in handling defects complaints / warranty claims. In the event of withdrawal the Supplier is obliged to take back the delivered goods without delay. If, for reasons for which the Supplier is responsible, the Supplier fails to take back the goods within a reasonable period under the circumstances, PFENNIGPFEIFFER is entitled to destroy and dispose of the goods at the cost of the Supplier. The Supplier shall be given a reasonable period of notice of the threatened destruction and disposal of the goods.

§ 8 Withdrawal

1. In the case of cancellation, withdrawal from the Contract or non-completion or lapse of the Contract for any other reason, the Parties to the Contract agree the following:

The Supplier undertakes to carefully examine the goods concerned including their packaging for references to PFENNIGPFEIFFER or its brands (e.g. hang tags, main label, care label, packaging such as flaps or similar) and to completely remove any possible reference to PFENNIGPFEIFFER or its brands or where it is impossible to remove the reference, to make it completely indecipherable and illegible. A contract penalty is due for payment for each individual case of culpable contravention and exclusion of the plea of continued related (serial) offence (i.e. the principle of totality); PFENNIGPFEIFFER will determine the penalty at its own discretion and in case of dispute to be checked by the competent court; the penalty shall be appropriate and reasonable according to the circumstances of the individual case, especially the weight of the breach of duty.

If, in the aforementioned cases of withdrawal from the Contract, cancellation, etc., third parties could or do make claims against PFENNIGPFEIFFER due to the presence of a reference to PFENNIGPFEIFFER or its brands, the Supplier shall release PFENNIGPFEIFFER from such claims including

reasonable costs of legal defence.

Payment of the contract penalty is to be offset against possible claim for compensation by PFENNIGPFEIFFER due to breach of the above duty to remove or obliterate the reference. However, PFENNIGPFEIFFER reserves the right to claim further compensation withproof of further losses.

§ 9 Assurance of the Supplier

1. The Supplier established within the territory of the European Union guarantees, provided he is manufacturer or distributor in accordance with § 3 VerpackG, that the sales packaging used by it is in one or more approved systems in accordance with § 7 VerpackG involved and proves this to PFENNIGPFEIFFER in writing, unless PFENNIGPFEIFFER declares that it wishes to undertake this licensing itself.
2. The Supplier established within the territory of the European Union guarantees that they participate in a return system in accordance with § 6 of the law on the placing on the market, return and environmentally compatible disposal of batteries and rechargeable batteries (German Battery Law - BattG) or operates their own manufacturer system in accordance with § 7 BattG and licences the equipment batteries and rechargeable batteries used by them through the named return systems. This is to be proven to PFENNIGPFEIFFER in writing, unless PFENNIGPFEIFFER states that it wishes to undertake the licensing itself.
3. The Supplier established within the territory of the European Union guarantees that they fulfil their obligation to ensure proper disposal of electrical and electronic equipment in compliance with the respective valid legal provisions, in particular the law on the placing on the market, return and environmentally compatible disposal of electrical and electronic equipment (German waste electrical and electronic equipment law - ElektroG). This is to be proven to PFENNIGPFEIFFER in writing, naming the registration number for registration with the waste electrical equipment register (Stiftung elektro- altgeräte-register Stiftung EAR); unless PFENNIGPFEIFFER states that it wishes to undertake the licensing itself.
4. The Supplier is responsible for ensuring compliance with the respective relevant ILO (International Labour Organization) conventions and ILO recommendations.
5. The Supplier is responsible for ensuring that the goods are not subject to any distributional restraints and were produced for the notified country of sale, that they are original goods and that PFENNIGPFEIFFER does not infringe any third party rights such as industrial property rights, trademark and copyrights, if PFENNIGPFEIFFER markets and distributes the goods in the Federal Republic of Germany. In addition, the Supplier warrants that they or his subcontractor will pay all remuneration in accordance with national regulations for equipment and/or media supplied by him for serve the purpose of making or storing duplications serve, lead away. If the Supplier violates any of the aforementioned obligations, the Supplier shall indemnify PFENNIGPFEIFFER against all resulting third party claims and any reasonable legal defence costs.
6. The Supplier assures that, insofar as they provide PFENNIGPFEIFFER with image and advertising material for the marketing of their goods, PFENNIGPFEIFFER can freely dispose of these image and advertising materials and that this does not infringe any third party rights.

7. The Supplier undertakes to indemnify PFENNIGPFEIFFER against all third party claims, which result from culpable breach of the Supplier's contractual obligations to PFENNIGPFEIFFER.
8. The Supplier guarantees that the goods are marked with a GTIN (Global Trade Item Number, previously EAN), which can be read by machines such as scanner cash registers. The GTIN must be attached to each sales packaging (insofar as this can be divided into smaller packaging units, including on each individual item) and also on the next largest outer packaging (separate GTIN), legible by machine on the outside; otherwise the goods shall be deemed to be defective.
9. The Supplier is only liable for culpable breach of the aforementioned assurances.

§ 10 Product Liability – Producer Liability – Insurance

1. If claims are made against PFENNIGPFEIFFER due to a fault in the item delivered by the Supplier under producer liability or product liability obligations, the Supplier shall indemnify PFENNIGPFEIFFER against the producer or product liability resulting from the fault, unless the Supplier is not responsible for the fault, PFENNIGPFEIFFER is also responsible for the loss or the Supplier can prove that the fault neither existed nor applied at the time of transfer of risk. In case of claims against PFENNIGPFEIFFER under § 1 Para. 1 S. 1 Product liability law (ProdHaftG), the Supplier's aforementioned obligation to indemnify applies regardless of the Supplier's culpability, insofar as the Supplier themselves are liable to pay compensation to the claimant under § 1 Para. 1 S. 1 ProdHaftG. The Supplier shall also indemnify PFENNIGPFEIFFER against all third party claims for redhibitory defect, compensation and damages for pain and suffering, insofar as these are causally related to the defective product delivered by the supplier.
2. The Supplier is obliged, at the request of PFENNIGPFEIFFER, to provide proof of extended product liability insurance taken out by the Supplier, which shall be for an appropriate amount for the goods to be supplied by them, however, at least equal to EUR 2.5 mln. This proof shall be sent within 4 weeks of receiving such a request from PFENNIGPFEIFFER.

§ 11 Crisis Management – Recall and Public Warning

1. The Supplier guarantees that they have a functioning crisis management, within which the responsibilities, information flow and availabilities/accessibilities outside of normal office hours are clearly defined in order to ensure smooth handling of events in case of a crisis.

They shall provide PFENNIGPFEIFFER with the name of a contact responsible in case of a crisis, with their continuously updated phone number, under which this person can be reached at all times.

2. In the event of recalls of goods delivered to PFENNIGPFEIFFER, the Supplier is obliged to notify the responsible buyer in writing of the recall, the reason and further procedures to be taken and all relevant details (e.g. exact details of the delivery locations of the goods to be recalled, including routes). They shall make the necessary enquiries to ensure that the recall has been acknowledged. The Supplier is also obliged to reimburse proven necessary expenses in accordance with §§ 683, 670 BGB

(German Civil Code), which result from or in relation to a recall campaign or warnings implemented by PFENNIGPFEIFFER. A recall campaign is to be implemented or warnings must be spread, if the recall campaign or warning is required due to legal provisions, official orders or due to circumstances, which instigate a duly diligent businessperson to take action to prevent pending – even non-property – losses. In the event of recalls by the Supplier the necessity is deemed to exist as a given.

3. The measures due to recall campaigns shall be carried out by the Supplier on their own responsibility according to instructions received from PFENNIGPFEIFFER.
4. If authorities allege substantiated health risks due to the goods or their non-marketability, PFENNIGPFEIFFER is entitled to withdraw from the Purchase Agreement for the products and to return already delivered goods at the cost and risk of the Supplier. The same applies if such a substantiated assertion is made in the national daily press, radio or television.
5. For each recall of goods in which goods are returned, the Supplier shall pay PFENNIGPFEIFFER lump-sum compensation equal to EUR 50.00 per PFENNIGPFEIFFER outlet affected by the recall; we reserve the right to prove higher losses. If the Supplier proves that no loss or a substantially smaller loss has been incurred, the lump-sum reduces accordingly. Provided they have paid, PFENNIGPFEIFFER will keep the Supplier free of claims made by the aforementioned store operators for this reason.
6. In the event of a public recall campaign instigated by the authorities, which results from product defects in the goods delivered to PFENNIGPFEIFFER, the Supplier shall pay PFENNIGPFEIFFER lump-sum compensation for the damage to PFENNIGPFEIFFER's image equal to € 50,000.00 (in words: fifty thousand euros), against which any other compensation claims related to this shall be offset, unless the recall campaign is not due to product defects for which the Supplier is responsible or is due to other circumstances for which the Supplier is not responsible. If the Supplier proves that no loss or a substantially smaller loss has been incurred in relation to the aforementioned, the lump-sum compensation reduces accordingly.

§ 12 Place of Performance – Legal Jurisdiction

1. The place of performance for each delivery is the location of the logistics centres or in exceptional cases directly supplied outlets.
2. The sole place of legal jurisdiction, if the Supplier is a businessperson or has no general place of legal jurisdiction in the Federal Republic of Germany, is the place in which PFENNIGPFEIFFER has its registered offices; however, PFENNIGPFEIFFER is also entitled to take legal action against the Supplier in the place in which they have their registered offices.

§ 13 Basic provisions regarding granted payments, privileges or benefits

1. PFENNIGPFEIFFER employees are prohibited from granting, offering, acceptance or asking for promises of gifts, payments or other privileges or benefits.
2. If a Supplier or a representative of the Supplier breach this basic principle or contribute to its breach, this can result in the ending of the existing business relationship, regardless of whether the privilege or benefit was actually accepted or not.

§ 14 Closing Provisions

1. The laws of the Federal Republic of Germany apply to all business transactions, as it applies to business transactions between companies within Germany.
2. The UN Convention on Contracts for the International Sale of Goods (CISG) does not apply.
3. In addition, the latest version of the Incoterms apply. In case of conflict the individual agreements and the provisions of the MTH Retail Group Logistics Guideline and these General Terms and Conditions of Purchase shall take priority.
4. Should one of the above provisions be or become invalid or contestable or should a loophole be found in these Terms and Conditions of Purchase, the validity of the remaining provisions shall remain unaffected. Instead of the contestable provisions or to close the loophole, an appropriate arrangement shall apply, which best achieves what was wanted in economic terms.
5. No verbal subsidiary agreements have been made to these Terms and Conditions of Purchase. Changes and additions to the agreements between PFENNIGPFEIFFER and the Supplier, including this clause, shall be made in writing. Transmission by facsimile satisfies the requirement for the written form.
6. The Parties to the Contract undertake to mutually maintain secrecy regarding all business and operating secrets related to the business relationship, insofar as this does not hinder proper performance of existing contracts with the other Party.

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