

# Terms and conditions of purchase of phg Peter Hengstler GmbH + Co KG

## 1. Service

The service to be provided by our supplier is determined through our written order, our order-related documents (e.g. plans, drawings, diagrams, weight information, dimensions) as well as through our written, special and general delivery terms and conditions. Opposing terms and conditions of our supplier shall not become a part of the contract.

We reserve all property rights and copyrights to all order-related documents, forms, tools, provisions, etc. originating from us. They may only be made accessible to third parties with our written consent. They are to be insured by our supplier at his costs against theft, breakage, fire, water, transport and other damages.

## 2. Prices and payment

The agreed prices are free house. Our supplier shall bear the costs for packaging and shipment. A price increase after conclusion of the contract is invalid.

We can retain 3% cash discount in case of payments to our supplier within 30 days after receipt of the supplier invoice by our company.

We can also offset against disputed receivables.

## 3. Deadlines, provisions of service

The agreed deadlines for our supplier's service are mandatory. They shall begin with the date when the order is received. In case the deadline expires our supplier shall also be in default without a reminder. After the unsuccessful expiry of the deadline we can – irrespective of other rights – cancel the contract without setting a deadline and/or demand compensation instead of the performance. We can also cancel the contract without our supplier being entitled to any claims against us thereof, if he is forced to execute the service at a later date in cases of force majeure.

The service of our supplier is provided as soon as he supplies these deliveries these to our plant free of defects.

Our address is to be given on all shipment documents, our order number, order sign and parts number are to be stated in full on all order confirmations, shipment notifications, delivery notes, invoices and other written documents, which relate to the order. Consignments, for which we have to bear the costs either in whole or in part, are to be transported at the most favourable conditions. Additional expenses for accelerated despatch in order to observe a delivery date shall be for the account of our supplier.

## 4. Insurances

Our supplier undertakes to insure his service at his costs against theft, breakage, fire, water, transport and other damages.

## 5. Reservation of title

The property to the object of service shall pass to us when it is handed over. A reservation of title of our supplier is invalid. When the product is handed over we may use, pledge, assign as security, sell, install and/or process the object of service.

## 6. Guarantee / liability

Our supplier guarantees that the products and services to be provided by him comply with our order-related documents (e.g. plans, drawings, diagrams, weight information, dimensions) and the relevant national and international safety, environmental and conformity provisions and that they are suitable and free of defects for the constructions and intended uses for which they are used.

The supplier further pays attention to a provision of the service which is good for the environment. This covers the selection of environmentally-friendly materials which are capable of recycling, low-emission, with a low level of pollutants, a construction which is easy to disassemble and dismantle as well as solutions which spare energy and resources.

The liability of our supplier and his employees is not limited to wilful intent and gross negligence.

Insofar as a claim is asserted against us by third parties either alone or as joint and several debtors with our supplier for product liability from the use of the products and services to be provided by him in our products, our supplier shall release us from all claims and the costs of the legal defence against such claims at first request.

Our supplier is also obliged to reimburse us all expenses, which may ensue from or in connection with a recall action carried out by us. We shall inform our suppliers – insofar as possible and deemed reasonable – about contents and scope of the recall measures to be carried out.

Our supplier may only assert claims for compensation against us insofar as he proves that the cause of the damages was not in his field of control and organisation.

Our supplier undertakes to take out product liability insurance with a reasonable sum insured for the products and services concerned for physical injuries and property damages, to maintain this during the whole period of the business relationship and to prove this upon request by submitting the policy. If we are entitled to further claims for damages these shall remain unaffected.

Our supplier shall be liable for the fact that no rights of third parties are infringed through the use of his service. He shall release us and our customers with regard to all claims from such infringements of law – irrespective of other rights.

## 7. Defects

Our claims for defects are principally oriented to the statutory regulations. Within the framework of the subsequent performance we are entitled to demand that the defects be remedied in a number of attempts which is deemed reasonable for our supplier. If we do not exercise this right or if the remedy of the defects fails, we can demand the delivery of a faultless object from our supplier, whereby we are entitled to a number of subsequent deliveries which is deemed reasonable for our supplier. Our supplier must bear all (his, our and other) expenses necessary for the purpose of subsequent performance, in particular transport, route, work and material costs.

If the subsequent performance chosen by us fails, we are entitled to personally remedy the defect and demand refund of the expenses necessary in this respect. If we do not exercise this right or if this remedy of defects also fails, we can at our choice reduce the price or cancel the contract. In addition we reserve the right to a claim for compensation.

Claims for defects shall become statute barred within the statute of limitations.

## 8. Applicable law, place of jurisdiction, place of performance

German law and the German language are exclusively decisive. Place of jurisdiction and place of performance is our registered seat, insofar as our supplier is a merchant, legal entity under public law or public special assets. We are however entitled to also take legal action against our suppliers at the court of jurisdiction for his place of residence or registered seat.

## 9. Written form

All, in particular deviating, agreements must be made in writing. This shall also apply for a waiver of the written form.