



I. General provisions

- 1.1. The following conditions apply to all orders and contracts of the companies Candy Polstermöbel GmbH, Carina Polstermöbel-Vertriebs GmbH, Candy Sleep GmbH and 3C Holding GmbH (hereinafter referred to as the clients, even if only one of the companies in question is affected) unless otherwise expressly agreed or required by law. Any conditions of the contractor or supplier (hereinafter referred to as the "contractor"), its GTCs, order confirmations or other conditions of sale shall not be recognised unless the client has expressly agreed in writing that they are applicable. The unconditional acceptance of order confirmations or deliveries shall not be considered recognition of such conditions.
- 1.2. Orders and contracts are considered binding only if they are made in writing, with reference to these General Purchasing Conditions. Oral agreements, commitments and declarations of all kinds shall require written agreement to be valid, including in an electronic format (email).
- 1.3. These General Purchasing Conditions of the client shall also apply to all future transactions with the contractor.
- 1.4. The client shall retain rights of ownership and copyrights to all drawings, samples and specifications transmitted with the contract that are the object of the order; they may not be provided to third parties without the express written approval of the client.
- 1.5. These purchasing conditions shall apply regardless of the legal nature of the contract concluded with the contractor, e.g., for purchasing, service, and work agreements as well as for all other contractual relationships under which the client purchases deliveries from the contractor or takes advantage of the contractor's services, regardless of kind.
- 1.6. The Incoterms shall apply in the version valid on the date of the respective purchasing agreement for interpretations of customary international contractual formulations, unless the Incoterms deviate from these General Purchasing Conditions.

II. Order, contract documents

- 2.1. The contractor is obligated to accept the order and confirm it via e-mail or the supplier portal within 5 business days. Any deviations must be agreed to in writing.
- 2.2. Delivery shall be carried out according to the order or the following instructions of the client by the agreed deadlines.
- 2.3. The contractor is obligated to expressly state any deviations from the order in its order confirmation, using typographical emphasis.
- 2.4. If deviations are included in the contractor's order confirmation according to point 2.3, then the conclusion of the contract shall require express written confirmation from the client. Basic principles regarding commercial letters of confirmation shall not apply.
- 2.5. Passing on the order to third parties or utilising subcontractors shall require prior written approval from the client.
- 2.6. The contractor shall review the inquiry and/or order of the client, in particular to ensure it is plausible, feasible, complete, etc. The contractor must inform the client promptly of any deficiencies.
- 2.7. If the client and contractor have agreed to quality and delivery specifications, then the contractor hereby undertakes to comply with these.

III. Delivery terms and deadlines, contractual penalty

- 3.1. The delivery deadlines indicated in the orders are binding, and are to be understood as the date a delivery should arrive at the place of fulfilment. Delivery terms cover the time from when the order is received by the contractor until goods are delivered at the place of fulfilment.
- 3.2. The contractor shall provide prompt written notification of changes to deadlines, without requiring a request to do so.
- 3.3. The client is entitled to deny acceptance of goods that are not delivered by the delivery deadline indicated in the order or if only a partial delivery is completed, and to return such goods or have them stored by third parties at the cost and risk of the contractor. Acceptance of late deliveries shall not be understood as a waiver of any recourse claims.
- 3.4. In case of default, the client shall be entitled to all statutory claims. In particular, the client is entitled to request damages due to non-fulfilment after a reasonable grace period has been set and passes without the matter being corrected. The contractor shall also be liable in accordance with the law for any culpability on the part of its own suppliers and manufacturers, insofar as these are considered its agents.
- 3.5. In accordance with the requirements of clause 3.4, the client is entitled to demand a contractual penalty amounting to 1% of the order value from the contractor for each full day of delay, and a maximum of 15% of the net order value for the delayed goods. This shall not apply if the contractor was not responsible for the delay. The imposed contractual penalty shall be offset against any claims for damages, reducing such claims. The client reserves the right to assert any further claims and rights, such as in particular to withdraw from the agreement and demand damages in lieu of fulfilment and/or make claims for reimbursement of expenditures. The contractor reserves the right to prove that the client suffered no or lower damages as a result of the delay.
- 3.6. If the contractor does not meet the delivery term or delivery deadline due to force majeure, then the contractual partners shall extend the agreed delivery term accordingly. If the delivery is delayed by more than 4 weeks, or if the delivery deadline is a fixed deadline, the client is entitled to withdraw from the agreement in whole or in part.

IV. Prices and payment conditions

- 4.1. If not otherwise agreed in writing, the prices indicated in the order are binding. If not otherwise agreed in writing, the prices include the costs of packaging, transportation equipment and transportation costs to the intended destination, as well as insurance and other ancillary costs.
- 4.2. All invoices must include the item designation, order and item number of the client, and the date of the order. Invoices that do not include this information shall be returned without the client losing its rights under the agreed payment conditions because of this. The invoice must be sent directly after the delivery electronically as a PDF attachment to the email address provided by the supplier. Invoices may not be enclosed with the shipment. The client cannot fall into default of payment until a proper invoice has been received. Any further statutory obligations (in particular under tax law) of the contractor related to the design of invoices shall remain unaffected. VAT, for instance, must be listed separately.
- 4.3. Payments are made conditional on proper delivery and on the prices and calculations being correct. The client is entitled to withhold due payments as long as the client is still entitled to claims against the contractor resulting from incomplete and/or defective services. In case of a defect covered by warranty, the client is entitled to delay paying the invoice until the defect is properly corrected, without losing the rights to discounts, rebates, or similar pricing reductions. In this case, the payment term shall begin from the time defects are corrected in full and this is confirmed by the client in writing.
- 4.4. Invoices shall be payable according to the individually agreed payment conditions. If not otherwise agreed, payments shall be made within 21 days minus a 3% discount, or within 30 days net, in every case after complete delivery of the goods or services and receipt of a proper invoice in particular for the purposes of deducting input tax (Sections 14, 14a VAT Act).
- 4.5. The payment shall not affect the rights of the client; in particular, unconditional payments by the client shall not be considered recognition that deliveries and/or services are free from defects.
- 4.6. 3C group companies shall be entitled to rights of retention, offsetting, and sale to the extent permitted by law and without restriction.
- 4.7. No surcharges for minimum order quantities shall be paid.

V. Delivery and shipment, transfer of risk and freight

- 5.1. If not otherwise agreed in writing, the delivery shall be completed free of charge to the location indicated in the order.
- 5.2. The contractor shall comply with the agreed shipping conditions of the freight forwarder or shipping company. The item designation and the client's order and item numbers must be included on all shipping documents, letters and invoices. If this information is not included, and this results in delays in processing, these shall not be borne by the client.
- 5.3. The contractor shall bear the risk of accidental destruction or deterioration of the goods until they are handed over to the contractor.
- 5.4. The contractor is obligated to enclose the corresponding delivery slips separately with each delivery; e.g., a separate delivery slip must be enclosed with each order. The delivery slips must be numbered and must contain the delivery date for the order. The delivery slips must include the order number, scope of the delivery, item numbers, designation of the materials and identifying information for the supplier and client.
- 5.5. If not otherwise agreed in writing, the contractor shall be obligated to include at least the following documents in the delivery before the first delivery, in case of a change in materials, or in case of a technical change, unless one or more of the following documents are not relevant for the order in question: (i) material specifications, product tolerances; (ii) safety data sheets; and (iii) safety declarations (in particular regarding the safety of the product with respect to health and



deadly hazards, as well as regarding compliance with product and/or environmental conditions, such as the REACH, FSC, PEFC, CARB, ...). The contractor shall provide the client with the above documents in their current version to the purchaser responsible for it, without requiring a request to do so.

- 5.6. If not otherwise agreed, goods must be delivered on pallets or in packages. Goods must bear a label with the following information: The client's item numbers, the designation of the delivered materials, the quantity, delivery or production date and, if agreed, the bar code. If not otherwise agreed in writing, the height of a packaging unit may not exceed 110 cm. Different materials must be delivered separated from one another on the pallet or in a package. If these requirements are not fulfilled, the client is entitled to return the delivered goods. The contractor shall reimburse the client for additional expenses as a result of the processing and the delay.

VI. Quality and product-related declarations

- 6.1. The contractor hereby assures that the goods delivered by it and services performed by it are suitable for the intended contractual purpose. If there are concerns regarding the type of execution requested by the client, the contractor shall notify the client of these promptly and in writing.
- 6.2. The delivered goods and services conform with the state of the art, relevant provisions of European law and national implementation regulations, the guidelines and regulations of official agencies, trade associations and professional associations, in particular product safety, occupational safety, environmental protection, accident prevention regulations and relevant standard such as the DIN, VDE and RAL-GZ 430 or DGM e.V., and other relevant regulations.
- 6.3. The contractor hereby assures that it will comply with its manufacturer, information, registration and reporting obligations along the supply chain resulting from the different directives and regulations (such as the REACH, CLP, POP, EUTR, etc.).
- 6.4. The contractor shall deliver the goods in the quantity, quality and specification indicated in the order. Additional or deviating requirements must be agreed to separately. The contractor hereby undertakes to inform the client of any approval obligations applicable to exporting the goods, and to provide the documents and information necessary for the export.
- 6.5. The contractor shall ensure that it has an effective quality management system, to ensure the best quality possible for the goods. Upon request, the contractor shall conclude a corresponding quality assurance agreement with the client. The contractor shall monitor and document the design and production process for the agreed goods in a suitable format. The contractor shall grant the client the right to review the progress of work to be performed and/or order processing. The client is entitled to gather information at any time regarding the progress by reviewing all relevant documents. The documents must be provided and explained to the client upon request.
- 6.6. If there is a legitimate suspicion that the contractor's products or production processes will result in an environmental impact that goes beyond the generally recognised technical standards, the client is entitled to review the manufacturing process and composition of the delivered raw, auxiliary and operating materials, as well as the contractor's tools. The contractor is obligated to provide information in this respect, and shall provide the client with samples of the substances used upon first request to do so.
- 6.7. The contractor shall provide product-specific material data sheets, technical drawings, certificates, registration and/or testing certificates, etc. for the offered items before the initial delivery. The client can also request these documents at any time.
- 6.8. The contractor is obligated to inform the client promptly of any product modifications, without requiring a request to do so. Product modifications shall require the written approval of the client. Updated declarations and documents must be sent to the client after the change is made, but before the modified item is delivered.
- 6.9. The contractor is obligated to provide the client with a supplier declaration pursuant to the Supply Chain Act (Lieferkettensorgfaltspflichtengesetz) upon request.

VII. Acceptance and sorting or rework

- 7.1. The client's obligation to investigate the goods delivered by the contractor shall apply only to identifying obvious or easily detectable defects.
- 7.2. The values determined during the client's incoming goods review shall be decisive for determining quantities, dimensions, weights, wood moisture levels and other definitions of terms for a delivery, and shall serve as the basis for the invoice.
- 7.3. The client shall promptly notify the contractor in writing of defects in the delivery once they are found during the normal course of business. In this respect, the contractor waives the right to make later claims for defects. If there is a quality assurance agreement, then the separate incoming goods inspection provisions there shall apply to the defect and complaint obligations to be fulfilled by the client, if such provisions are agreed.
- 7.4. If a contractual penalty is agreed for default of delivery, there shall still be a claim to a contractual penalty even if it is not asserted expressly in the acceptance of the delivery. Further claims shall likewise remain even if they are not specifically reserved at the time of acceptance.
- 7.5. If individual random samples of the goods have defects, the client is entitled, at its own discretion, to request that the contractor sort out the defective parts from the entire order within 24 hours after acceptance of the order, or to submit a complaint regarding the entire order due to defects, and to send it back to the contractor at the contractor's cost. If it is necessary for deadline-related reasons for the 3C group to handle the required sorting and reworking due to defects in the delivered products, then this sorting and reworking shall be carried out at the discretion of the client
- 7.5.1. by employees of the contractor or
- 7.5.2. by third-party companies at the cost of the contractor or
- 7.5.3. by employees of the client at the cost of the contractor. In this case, the client is entitled to charge the contractor for the resulting additional expenses.
- 7.6. The contractor must pick up defective goods for which sorting and reworking are not required at the latest within 5 business days, calculated from the date on which the complaint report is sent. If it does not do so, the client shall initiate a return delivery at the cost of the contractor. The contractor must enclose a report stating the corrective measures taken with a re-delivery of a batch that has been rejected and then revised by the contractor. The reworked or sorted items must be re-delivered separately. These parts must be specifically designated on the delivery slip and the packaging.
- 7.7. The client is entitled to carry out audits at the contractor's operating facilities to check the agreed quality standard of the goods. The client can have these audits carried out by its own personnel or by third parties.

VIII. Warranty, material defects and defects of title

- 8.1. The contractor's warranty obligation shall be determined in accordance with the law, unless otherwise expressly regulated in this section or otherwise agreed or specified by law. If the client accepts goods without reservation, this shall not be considered a waiver of its warranty claims.
- 8.2. The contractor shall release the client from third-party claims resulting from defects, violations of third-party property rights or product damage to its delivery due to its share of causation upon first request to do so.
- 8.3. If the contractor violates obligations, it shall be liable toward the client for every type of culpability. The contractor is hereby informed that it has the right to prove that it was not responsible for a breach of duty.
- 8.4. If replacement deliveries are sent and defects are corrected, the statute of limitations shall be restarted for replaced and repaired parts.
- 8.5. If the goods delivered by the contractor do not conform to the agreed specifications, the client is entitled to demand supplementary performance by correcting the defect or delivering goods free from defects, at its discretion. The expenses required for supplementary performance, in particular the expenses related to finding the cause of the defect, including expert, inspection and sorting costs, transportation, commuting, work and material costs, as well as increased expenditures because of the need to bring goods to the customer, shall be borne in full by the contractor. Any further claims shall remain unaffected.
- 8.6. In urgent cases – in particular to prevent extraordinarily high damages – to correct minor defects, as well as in cases when the contractor falls into default with correcting a defect, the client is entitled to correct the defect and any resulting damages itself or have them corrected by a third-party at the cost of the contractor, after first informing the contractor and after the end of a short grace period appropriate for the situation at hand. This is also the case if the contractor completes its delivery or service late and the client must promptly correct the defect to prevent itself from falling into default of delivery.
- 8.7. If the contractor delivers goods free from defects for the purpose of supplementary performance, it cannot demand that defect-free goods be provided or that the value of the goods be reimbursed.
- 8.8. If supplementary performance fails, the client shall be entitled to statutory claims for material defects; this applies in particular to claims for damages due to non-fulfilment.
- 8.9. The statutory regulations on delivery recourse or relevant international regulations shall apply to recourse claims by the client due to defective goods. In this framework, the contractor hereby assigns any recourse claims to which the contractor is entitled against its own suppliers by way of precaution in advance, in order to secure the recourse claims that exist to the benefit of the client. The client hereby accepts this assignment.



- 8.10. If the products manufactured by the client with the help of the goods, or the goods themselves, are sold directly or in the framework of a supply chain to customers via dealers, and if a defect is found in such products or goods within twelve months from the transfer of risk, or if the client asserts defect claims of any kind against the contractor due to these defects, then it is assumed that the defects already existed at the time risk was transferred to the client, unless this assumption would be unreasonable for the type of goods or defect.
- 8.11 Claims for material defects shall expire at the earliest three months after the time the client fulfilled the claims of its purchasers.
- 8.12. The contractor shall also be responsible for defects of title for which it is not culpable. In this case as well, the client is entitled to assert statutory claims. Claims due to defects of title shall expire at the end of the regular statutory limitation period, from the statutory start of limitation.
- 8.13. The client's right to take recourse against the contractor in accordance with statutory provisions on supplier recourse or corresponding international regulations shall remain unaffected.

IX. Liability

- 9.1. The contractor shall be liable toward the client in accordance with the law and without restriction.
- 9.2. The contractor shall be responsible for culpability on the part of its agents and assistants, as well as its own suppliers, as it is for its own culpability. The contractor cannot extricate itself from its own liability by proving that it has carefully selected and monitored its agents and assistants.
- 9.3. If claims are filed against the client due to violations of an official safety regulation or due to domestic or international product liability or producer liability regulations or laws, or other provisions of product law due to a product error, then the client shall be liable towards the contractor if the error that caused the liability was caused by goods delivered by the contractor and if a claim could be made against the contractor itself in place of the client or alongside the client.
- 9.4. The contractor is also obligated to reimburse any expenses resulting from or in conjunction with a recall campaign carried out by the client, if this is ordered by a court or official agency or is necessary to avoid the risk of injury to life, body, or health or unreasonable damages, or due to circumstances that would cause a prudent businessman to carry out a recall campaign or issue a warning in order to prevent impending damages, including non-pecuniary damages. The client shall inform the contractor of the content and scope of the measures to be taken - if reasonable and feasible - in order to give them an opportunity to provide a position statement.
- 9.5. If the contractor is liable, it shall release the client from all third-party claims. Further claims of the client shall remain unaffected by the release.
- 9.6. The contractor hereby undertakes to maintain liability insurance protection, including expanded product liability insurance and recall cost insurance to a sufficient extent, and at least with an insured sum of EUR 5 million per damage claim. If the client is entitled to further claims for damages, then these shall remain unaffected. The contractor shall submit proof of insurance to the client upon request to do so.

X. Force majeure

- 10.1. Unforeseeable, unavoidable, and/or extraordinary circumstances that are not the responsibility of the client but that can impact its operations shall release the client from its acceptance obligation.
- 10.2. The client is entitled to withdraw from the agreement if an event such as those described in clause 10.1 lasts for longer than three months, unless the agreement concerns a custom production for the client. If it withdraws, the contractor cannot assert any claims for damages as a result of this. If the client does not make use of its right of retention, it shall be released from the obligation to perform services in accordance with the contract while the obstacle described in clause 10.1 continues to apply.

XI. Offsetting and assignment

- 11.1. The contractor is only entitled to offset claims of the client against claims that are undisputed or have been established in a court of law.
- 11.2. Assignments of claims against the client shall be valid only with the client's written approval; otherwise, they are excluded.

XII. Providing information, data, and materials / retention of ownership

- 12.1. Drawings, drafts, samples, manufacturing specifications, internal company data, tools, equipment, etc. (hereinafter referred to as materials) which the client has provided the contractor upon submission of the offer or while carrying out an order shall remain the property or intellectual property of the client. If the contractor manufactures the materials itself or through third parties according to the client's specifications, it shall transfer ownership of the tools at the latest upon their completion and delivery / provision to the contractor, conditional on a simple retention of ownership. The contractor shall hold sole ownership of the materials on behalf of the client.
- 12.2. The contractor is obligated to inspect these materials upon receipt, and to treat and store them with the care of a prudent businessman.
- 12.3. When the contractor accepts materials at a 3C group plant, the responsibility for damage and loss passes to the contractor, regardless of whether the client or another 3C group company has provided the materials free of charge or delivered them for a fee.
- 12.4. The contractor may only use, duplicate, or make the materials accessible to or provide the materials to third parties if this is absolutely necessary to carry out the order. They must be returned to the client in usable condition at the latest at the time of the final delivery or service under the contract in question.
- 12.5. Any processing or conversion of materials provided by the client or another 3C group company are always carried out on behalf of the client. If the provided materials are irrevocably processed with objects that do not belong to the client or the 3C group, then the client shall obtain proportional co-ownership of the new product based on the ratio of the value of the product (purchase price plus VAT) to the other processed objects at the time of processing.
- 12.6. If the provided materials are irrevocably mixed with objects that do not belong to the client or the 3C group, then the client shall obtain proportional co-ownership of the new product based on the ratio of the value of the reserved materials to the other mixed objects at the time of mixing. If mixing is carried out in such a manner that the contractor's materials are considered the primary materials, then the parties hereby agree that the contractor shall transfer a proportion of co-ownership to the client. In this case, the contractor shall hold sole or co-ownership on behalf of the client.
- 12.7. If the secured rights to which the client is entitled according to the above clauses 11.5 and 11.6 exceed the purchase price for all reserved goods not yet paid for by the client by more than 10%, then the client is obligated to release the secured rights at the discretion of the client upon request by the contractor.

XIII. Third-party protected rights / minimum standards

- 13.1. The contractor hereby assures that there are no third-party rights that would interfere with the intended use of the sold goods, and in particular that no third-party protected rights are violated. However, if a claim is made against the client due to a potential violation of third-party rights, for instance due to copyrights, patent rights, utility models and other protected rights, the contractor shall release the client from this claim and all payments associated with it, unless the contractor is not culpable. The contractor's obligation to release the client applies to all expenses the client incurs from or in conjunction with the claim by a third-party due to the violation of protected rights. In this case, the client is also entitled to obtain required permission from the holder of such protected rights to deliver, commission, use, resale, etc. the delivered object at the cost of the contractor.
- 13.2. The contractor hereby assures that relevant statutory and official regulations shall be complied with. The proper declaration of customs duties, taxes, and/or other export fees, the proper issuance and provision of documents/deeds, such as testing certificates, certificates of origin, export and import licenses, shall be considered the responsibility of the contractor. The contractor shall guarantee that enclosed documents are authentic and correct.
- 13.3. The contractor hereby guarantees that any measures that could negatively impact or endanger the trademarks and brand rights and/or the reputation of the products to be delivered to the client shall be avoided during production, export, and import. The contractor shall, in particular, observe and ensure the client's industrial property rights such that there are no violations of these rights within its own sphere of activity and with respect to its suppliers.
- 13.4. The limitation period for claims according to clauses 12.1 and 12.2 is determined in accordance with the law.

XIV. Anti-corruption clause / right of termination

- 14.1. The contractor hereby undertakes to take all measures necessary and appropriate to avoid corruption, in the sense of a primary contractual duty. The contractor hereby undertakes, in particular, to not offer, promise, and/or grant any considerations and/or other advantages (such as money, non-monetary gifts, or invitations that are not primarily business-related, for instance to sporting events, concerts, cultural events) either through its employees, members of its bodies and/or third parties to the employees of the client or of other 3C group companies and/or members of bodies of purchasing associations or their family members. Product samples that are provided in the normal course of business for review or quality testing are not covered under this regulation.



14.2. If the contractor violates the obligations under the above clause 13.1, the client shall be entitled to terminate the contractual relationship for good cause without notice, after first sending a warning and then providing a grace period intended to allow correction of the matter. The client's right to demand damages shall not be excluded by the termination.

XV. Legal disputes

If the client becomes involved in a dispute with one of its customers due to material deliveries that were not completed or that were late, then the client shall pass on its costs incurred in this respect to the customer, along with the available documents, and charge the contractor with these.

XVI. Data protection

The contractual partners shall handle data associated with the business relationship in accordance with relevant statutory data protection regulations.

XVII. Withdrawal

If a contractual partner ceases its payments or if it moves to open insolvency proceedings against its assets or extra-judicial settlement proceedings, or if insolvency proceedings or extra-judicial settlement proceedings are opened against it or denied due to lack of funds, then the other contractual partner shall be entitled to withdraw from the agreement insofar as it has not yet been fulfilled.

XVIII. Place of fulfilment / place of jurisdiction / legal status / contract language

18.1. The place of fulfilment for the delivery is the client's stated shipping point.

18.2. Only the law of the Federal Republic of Germany shall apply to all legal relationships between the client and contractor, excluding international private law, uniform international law, and in particular expressly excluding the UN CISG.

18.3. the place of jurisdiction is Rheda-Wiedenbrück, Germany However, the client is entitled to assert its claims at any other permissible place of jurisdiction or at the place of jurisdiction generally valid for the contractor.

18.4. The contractual language is German.

XIX. Deviating agreements

Agreements that deviate from the content of these General Purchasing Conditions are valid only if they have been recognised by the client in writing.

XX. Severability clause

If individual provisions of these General Purchasing Conditions are or become null and void, or if there is a loophole in the supplier agreement, then this shall not affect the validity of the remaining provisions of the General Purchasing Conditions. An appropriate and effective regulation coming as close as possible to the intention of the contractual partners, or what their intention would have been based on the purpose of their agreement, shall take the place of the invalid provision or close the loophole.