

**GENERAL TERMS AND CONDITIONS OF PURCHASE**  
**JÄGER GUMMI UND KUNSTSTOFF GMBH**  
(Version 03/2020)**I. Scope of application**

1. These General Terms and Conditions of Purchase for use in business transactions with legal persons under private and public law apply to all contracts for the sale and/or delivery of movable goods ("goods") – including future sales and deliveries – regardless of whether the seller manufactures the said goods itself or purchases them from suppliers (Sections 433, 650 BGB (German Civil Code)). General Sales Conditions of the seller will only be considered part of this contract if we have agreed to them expressly in writing or in text form.
2. Legal declarations and notifications from the seller related to the contract (such as those establishing deadlines, providing warnings, withdrawals) must be submitted in writing or text form (such as by letter, e-mail, fax). Legal formal regulations and further certifications, in particular if there is doubt regarding the legitimation of the declaring party, remain unaffected.

**II. Offer, order, and confirmation**

1. Offers prepared for us by the seller must be free of charge and non-binding.
2. Orders and confirmations are only legally binding if they are made in writing or text form. The seller must inform us of any obvious errors (such as calculation errors or spelling and capitalization errors) or missing information in the order or order documents before acceptance, so that these can be corrected or completed; otherwise the contract will not be considered concluded. Oral agreements, in particular accepting an offer and/or making other commitments by our employees, are not legally binding. The seller is required to confirm our order in writing within 14 calendar days, or in particular to execute our order without reservation by sending the goods (acceptance). Late acceptance will be considered a new offer, and will require acceptance by us.
3. Documents associated with the offer and contract confirmation, such as drawings, images, technical data, references to standards, and advertising statements are considered agreed properties and assured features. It makes no difference whether such information comes from us, from the seller, or from the manufacturer.
4. Deviations between the delivered object and offers, contract confirmations, samples, and preliminary deliveries are only permitted following approval from us in writing or text form.
5. If deviating conditions are agreed in an individual contract for a certain order, these General Terms and Conditions of Purchase will apply with subordinate effect and will be considered supplementary.

**III. Prices and Payment Conditions**

1. All agreed prices are provided in euros excl. VAT, not including freight, packaging, and ancillary costs, unless otherwise agreed in writing or text form.
2. We pay all invoices received between the 1st and 15th of each month on the 30th of the respective month, and pay all invoices received between the 16th and 30th of each month on the 15th of the following month, minus a 3% discount. Only if individual contractual payment conditions have been agreed upon and these are more advantageous for us, then they will apply.
3. Payment and discount terms will begin from the proper receipt of the invoice, but not before the delivery or service has been completed in full by the seller. If documentation such as technical drawings, testing protocols, quality, and material test reports or similar documents are part of the seller's scope of services, the delivery or service will not be considered complete until such documentation is submitted.
4. Payments will be made by bank transfer. Payments are considered on time if transfers are submitted to the bank by the due date. We are not responsible for delays caused by any banks involved in the payment transaction. Payments do not serve as a recognition that the delivery or service fulfilled contractual requirements.
5. We are entitled to rights of offsetting and retention, and defense due to failure to fulfill contract as permitted by law. Discounts may be granted in case of offsetting and/or retention. We are in particular entitled to withhold payments due if we still have claims against the seller because its services were incomplete or defective. The seller shall only have a right of offsetting or retention based on counter-claims that have been established in a court of law or that are uncontested.
6. We will not be liable for any interest on maturity. Statutory regulations apply to default of payment.

**IV. Delivery conditions and packaging**

1. If not otherwise agreed in writing or text form, the seller shall bear the risk of accidental destruction or deterioration in accordance with Incoterms *Ex Works* (ICC 2020 version) until the transfer of risk for all deliveries.
2. If acceptance has been agreed upon, it shall be decisive for the transfer of risk. The statutory regulations of law on contracts for work, furthermore, apply accordingly to acceptance. There is no difference between handover and acceptance, if we are in default of acceptance.
3. Partial deliveries may only be made with our prior approval in writing or text form. Reduced deliveries are only allowed to the customary extent.
4. Whenever reasonable, we can request changes to the manufacturing process, drawings, specifications, and/or packaging and shipping agreements from the seller at any time. We will come to an agreement with the seller regarding any additional costs incurred due to these changes in each individual case.
5. The seller shall ensure delivery of replacement parts for 10 years after the end of series product delivery, unless it is required to provide us with all information and documentation related to the manufacturing of goods according to the individual contractual agreement. The replacement part price can be adjusted by us or the seller after discontinuation of series production and agreed upon.
6. The seller is obligated to obtain all documents, confirmations, or certifications required under applicable customs regulations or other legal regulations, in particular to drawback of customs duty, proof of origin, and all other information related to the commercial or origin of the goods and materials with respect to preferential treatment at its own cost, to review these to ensure they are correct, and to submit them to us.
7. We reserve the right to issue binding specifications on the type of packaging used. In general, the seller is obligated to use environmentally-friendly and less expensive packaging in comparison to other options typically used on the market for its deliveries. Any packaging already damaged before use may not be used.
8. If not otherwise agreed in writing or text form, we will be responsible for packaging costs. The redemption obligations of the seller are determined under the German Packaging Act (VerpackG) in its current valid version.

**V. Retention of ownership**

1. Goods must be transferred to us unconditionally and without consideration of payment of the price. However, if in an individual case we accept a conditional offer from the seller to transfer upon payment of the price, the seller's retention of ownership shall expire at the latest when the purchase price is paid for delivered goods. We remain entitled to re-sell the goods in the normal course of business, even before the purchase price is paid, assigning in advance any resulting claims (alternatively simple and extended retention of ownership applies to the resale).
2. If the seller processes, mixes, or combines (further processes) objects provided by us, such work will be considered completed on our behalf. The same applies to resale of the delivered goods by us, so that we are considered the manufacturer and obtain ownership of the product at the latest upon further processing according to the law.
3. All other forms of retention of ownership are excluded, in particular expanded or transferred retention of ownership, or a retention of ownership extended to further processing.

**VI. Delayed deliveries**

1. The agreed delivery deadlines are considered binding. The timeliness of the deliveries shall be determined by the receipt at the place of receipt specified by us; the timeliness of services shall be determined by their acceptance. If the seller becomes aware of any imminent delay in deliveries or services, it is obligated to inform us of this promptly in writing or text form.
2. We are not obligated to accept goods delivered to us before the delivery deadline.
3. In case of delayed deliveries, we are entitled to charge a contractual penalty of 0.5% of the contract value (gross) for each business day or partial business day of delay, up to a maximum of 5% of the total contract value (gross). We reserve the right to provide proof that damages incurred were higher. The seller reserves the right to provide proof that no damages or significantly lower damages were suffered.
4. Furthermore, we retain all rights to make legal claims in full. In particular, we are entitled to demand claims for damages instead of the delivery after providing a reasonable grace period. Our claim to the service is only forfeited if the seller has paid claims for damages.

## **VII. Warranty**

1. Legal regulations apply to our rights regarding material and legal defects in the goods (including incorrect or reduced deliveries and improper assembly, defective or missing assembly, operating, or other instructions) or other services by the seller, as well as to other violations of obligations by the seller, if not otherwise agreed in the following.
2. In deviation from Sec. 442 para. 1 clause 2 BGB (German Civil Code), we are entitled to claims for damages without restriction even if we were unaware of the defect when the contract was concluded due to gross negligence.
3. We will inspect goods for quality and completeness – as far as it is feasible in the ordinary course of business – to the extent that is reasonable and technically possible to us, and in any case will complete random checks to ensure the correct goods are delivered, and to check for obvious defects and deviations in quantity. Defect notifications are considered submitted in a timely fashion if the seller receives them within two weeks in writing / text or oral form. The deadline for notification of defects starts when we - or our customers in case of drop shipments - discover the defect. Sec. 377 HGB (German Commercial Code) is therefore waived.
4. Expenses related to inspection and supplementary performance shall be borne by the seller, even if it is later determined that there were no actual defects. Our liability for damage compensation in case of unjustified requests to correct defects remains unaffected; in this respect, we are only liable if we were aware, or were grossly negligent in not being aware, that there were no defects.
5. We are entitled to withhold payments due if we still have claims against the seller because its services were incomplete or defective.
6. If the goods have material or legal defects, the seller will reimburse us for all costs and damages resulting from delivery of the defective goods, and will indemnify us against all related claims. In particular, we can request reimbursement from the seller for expenses - such as transportation, material, work, travel, packaging, and installation and removal costs - incurred by us or our customers in conjunction with the delivery of defective goods. If the seller does not fulfill its obligation to supplementary performance – at our discretion by correcting the defect (reworking) or delivering goods free from defects (replacement delivery) – within a reasonable grace period set by us, we can correct the defect ourselves in urgent cases – especially in case of an impending standstill – and request reimbursement from the seller for necessary expenses or a corresponding advance payment. If subsequent fulfillment by the seller has failed or is unreasonable for us – for instance due to special urgency, a risk to operational safety, or impending unreasonable damages – we are not required to provide a grace period. We will inform the seller of such circumstances promptly. The mutual claims of the contractual parties shall expire in accordance with the law, unless otherwise agreed in the following. In deviation from Sec. 438 para. 1 no. 3 BGB, the general limitation period for defect claims shall be three years from the transfer of risk. If acceptance has been agreed, the limitation period shall begin upon acceptance. The 3-year limitation period also applies accordingly to claims for legal defects, whereby the statutory limitation period for third party in rem claims for return (Sec. 438 para. 1 no. 1 BGB) shall remain unaffected; claims for legal defects shall furthermore never expire as long as the third parties can still assert their rights against us, in particular if these do not expire.
7. Limitation periods under commercial law, including the above extensions, shall apply to all contractual defect claims as determined by law. If we are also entitled to extra-contractual claims for damages due to a defect, the regular statutory limitation terms shall apply (Sections 195, 199 BGB), unless the application of limitation periods under commercial law in the individual case would result in a longer limitation period. The recourse claims to which we are entitled by law within a supply chain (supplier recourse according to Sections 445a, 445b, 478 BGB) are afforded to us in addition to defect claims and without restriction. We are in particular entitled to demand exactly the type of supplementary performance (reworking or replacement delivery) we owe our purchasers in each individual instance. Our elective rights under the law (Sec. 439 para. 1 BGB) will not be restricted by this right. Our supplier recourse claims shall also apply if we or another entity have processed the defective goods, for instance by installing them in another product or attaching them to another product.
8. Before we recognize or fulfill a defect claim asserted by our purchaser (including reimbursement for expenses according to Sections 445a para. 1, 439 para. 2 and para. 3 BGB), we will notify the seller and request a written position statement with a brief illustration of the circumstances. If we do not receive a substantial position statement within an appropriate time period, and if we do not come to a mutual agreement on a solution, the actual defect claim granted by us will be considered owed to our purchaser. In such cases, the seller is obligated to provide proof to the contrary.

## **VIII. Product liability and insurance**

1. If a claim is lodged against us by our customers or a third party due to product damages which can be proven to have been caused by a defect in the delivered goods caused by the seller, the seller shall indemnify us against all claims for damages by third parties upon first request. The seller hereby already assigns us - for the purpose of establishing performance - all claims to which it is entitled against its agents in conjunction with and resulting from the delivery of defective goods or goods not fulfilling all assured properties. The seller's sub-contractors shall be considered agents according to Sec. 278 BGB.
2. If we are obligated to carry out a recall, we will promptly inform the seller of the content and scope of measures to be taken if this is possible and reasonable. The seller is obligated to reimburse us for all costs and damages resulting from and in conjunction with the recall.
3. Further claims to which we are entitled under the Product Liability Act and other legal provisions shall remain unaffected.
4. The seller is obligated to ensure ongoing and appropriate insurance protection by concluding business liability insurance, expanded product liability, and recall cost insurance (coverage min. 1 million EUR) and to provide us with proof of such insurance coverage promptly upon request by submitting a current certificate of insurance.

## **IX. Quality management and documentation**

1. The seller is obligated to observe and comply with the state of the art technology, all applicable quality standards, agreed technical data, and statutory regulations, as well as other requirements affecting the development and manufacturing of goods. We assume that the seller has established a comprehensive quality management system according to the current certification *ISO 9001*.
2. We or our customers are entitled to conduct audits of the seller or its sub-contractors. The dates and scopes of such audits will be mutually agreed upon. The seller must grant auditors access to manufacturing and testing locations, as well as allow them to inspect relevant documents (such as quality instructions, controlling documents, test results, etc.). Appropriate measures by the seller or its sub-contractors to secure their own know-how shall be accepted. Audit results, with action plans if necessary, shall be submitted to the seller in writing or text form.
3. The retention period for all quality-relevant documents and samples is 10 years after product discontinuation for series products and required replacement parts. If the company is to be liquidated or is entering insolvency proceedings, which the seller must notify us of in a timely fashion, as well as if there is any other good cause, the seller is obliged to submit all quality-relevant documents to us. Any right of retention on behalf of the seller is excluded. The seller shall allow us to review its retention obligations at any time. Upon request, the seller must submit originals or copies of testing documents to us promptly.
4. Our quality assurance agreement, which the seller must conclude with us upon request, and our supplier handbook, both of which are available in the download center of our supplier portal at <https://supplier.jaegergruppe.de/en/>, apply accordingly. Individual agreements shall take priority over General Terms and Conditions.

## **X. Tooling, molds, and provided goods**

1. Payment of compensation for tooling or mold costs shall be made after final completion and acceptance of the tooling or mold, approval of outturn samples by us, and submission of all documents related to the tooling or mold, unless otherwise agreed in writing or text form. We will not conclude individual contractual agreements on partial tooling or mold costs.
2. Upon payment of the agreed tooling or mold costs (compensation), ownership of the tooling or mold shall be transferred to us without restriction or reservation. If the tooling or mold remains in the seller's possession on loan after transfer of ownership in order to complete the agreed project, the seller shall store the tooling or mold at our discretion at a location appropriate for the use and contractual purpose. Internal movements of the tooling or mold within the company, or use of the tooling or mold by other third parties, is only permitted following our express prior approval in writing or in text form. We have the right to request the seller to return the tooling or mold at any time, excluding any rights of retention.
3. The seller is obligated to label the tooling or mold in a clearly visible location with the tooling number indicated in the associated tooling specification, as well as with our company name, so that the tooling or mold can be clearly identified as our property at all times.
4. The seller must store, use, properly maintain, and service the tooling or mold with the due diligence of a proper businessman at its own cost so as to ensure manufacturing of goods, at least until the agreed output quantity is completed, at all times, without restriction, and without error. If the tooling or mold become unusable following proper contractual use, we will bear the costs of replacement. If this occurs within the agreed output quantity, the seller shall assume these costs.
5. Following discontinuation of the series, the seller must store the tooling or mold at its own cost for at least 5 years such that it is possible to re-initiate manufacturing at any time. The

tooling or mold may be scrapped or moved only following prior approval by us in writing or text form.

6. During storage, the seller shall insure the tooling or mold at its own cost and in full against loss and theft, as well as against damage and destruction, in particular due to lightning, water, and fire.
7. Goods provided by us shall remain our property and must be stored and managed free of charge and carefully. The seller is obligated to use the tooling or mold exclusively to produce goods ordered by us. They may only be used for our orders. Otherwise, the seller is obligated to pay damages. This also applies to the calculated transfer of order-related materials. If goods provided by us are processed further or modified, we will become the direct owner of the new or modified good.

#### **XI. Termination**

In addition to statutory grounds for termination, we may terminate agreements with the seller for deliveries and services in whole or in part in writing with an appropriate notice period, without resulting in any liability for us, if:

- The seller violates a cardinal obligation of the agreement and does not correct this violation in full within an appropriate time period;
- The seller becomes insolvent, an application is made to open insolvency or liquidation proceedings against its assets, an insolvency administrator or trustee is appointed, or a liquidation settlement is reached;
- The ownership or shareholding circumstances of the seller change in such a way that it would be unreasonable for us to continue the agreement. This applies in particular if one of our competitors purchases a share of the seller or if the seller purchases a share of one of our competitors.

In case of partial termination of an agreement that has not yet been completely fulfilled, the seller remains obligated to fulfill the part of the agreement that has not yet been terminated.

#### **XII. Sub-contractors**

Our orders may only be assigned to sub-contractors or other third parties by the seller with our prior approval in writing or text form. Violations of this requirement will entitle us to withdraw from the respective agreement in whole or in part without providing notice, and/or to demand compensation for damages. The seller shall also contractually obligate its sub-contractors accordingly to all agreements concluded with us and all applicable statutory regulations. Upon request, the seller must provide us with proof that it has so contractually obligated its sub-contractors.

#### **XIII. Confidentiality**

1. We reserve ownership rights and copyrights to our confidential information, such as documentation, drafts, drawings, and other relevant files and instructions. This information may only be made accessible to third parties, or otherwise disclosed or published, with our prior approval in text form or writing. Confidential information belonging to us must be returned to us upon request.
2. Confidential information we receive from the seller may be duplicated by us and provided to third parties within the framework of and in order to carry out the respective project, including necessary market inquiries, without the prior approval of the seller.
3. The seller hereby undertakes to not initiate or maintain any direct contact with our customers within the framework of the respective project agreed with us, to not perform any services or exchange any information and documents for said customers, and to not deliver any products to said customers in relation to the respective project.
4. In case of a culpable violation of a provision under paragraph XIII, the seller shall pay a contractual penalty to us of 25,000 EUR, excluding any plea of connection with previous circumstances. The contractual penalty may be offset against our claims for damages, which shall otherwise remain unaffected by the penalty.

#### **XIV. Property Rights**

1. We retain unrestricted authorization to dispose of our confidential information, and in particular to register property rights. The seller is not entitled to use our confidential information to register property rights or in any other way going beyond the scope of the respective project.
2. In particular, the seller shall be liable for ensuring its contractual goods or other services do not infringe upon any third party rights, in particular brand, copyright, and industrial property rights. If this is the case, the seller is obligated – without us being required to review the legal circumstances – to promptly indemnify us against all third party claims associated with the alleged infringement upon our first request. This does not affect our right to assert claims for damages against the seller in such cases.

#### **XV. Force majeure**

1. In case of force majeure, the seller and we are released from our contractual duties of fulfillment as long as the relevant circumstances last. Delivery deadlines shall only be extended if the resulting obstacles can be proven to have a significant influence on the production or delivery of goods. The seller must inform us of such circumstances immediately. If it becomes unreasonable for us to carry out the respective agreement due to such circumstances (e.g. delivery deadline exceeded by 30 days), we can withdraw from the agreement.
2. The seller shall be liable for gross negligence and intent within the framework of the law.

#### **XVI. RoHS/ElektroG and REACH**

1. The seller must comply with EU directive 2011/65/EU restricting the use of certain hazardous materials in electronics and electrical equipment (RoHS-II) and in particular Sec. 4 of the ElektroG (German Electrical Equipment Act).
2. The seller shall comply with the EU Registration, Evaluation, Authorization and Restriction of Chemicals Ordinance no. 1907/2006 (REACH) and its EU implementation ordinance 2016/9.

#### **XVII. Code of Conduct**

We assume that the seller will fulfill all national and international provisions, including compliance with labor, social, safety, and ethical standards.

#### **XVIII. Place of fulfillment, jurisdiction, and applicable law**

1. The place of fulfillment for delivery of goods is the headquarters of our respective indicated responsible location, unless otherwise indicated in writing or text form, and otherwise the headquarters of our company. The place of jurisdiction is Hanover. However, we are likewise entitled in all cases to bring complaints at the place of fulfillment for the delivery obligation under these conditions or any individual agreement with priority, or at the general place of jurisdiction for the seller. Legal regulations with priority, in particular regarding exclusive responsibilities, shall remain unaffected.
2. The law of the Federal Republic of Germany shall apply to all agreements and other legal relationships between us and the seller. The regulations of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 04/11/1980 and conflict of law rules are expressly excluded.