

**GENERAL TERMS AND CONDITIONS OF PURCHASE OF
JAEGER POLSKA SP. Z.O.O
(Version 11/2018)**

I. Field of application

1. These General Terms and Conditions of Purchase for use in business transactions with legal entities under private and public law apply to all - also future - contracts for the sale and/or the supply of movable objects ("Goods") irrespective of whether the supplier produces the Goods itself or buys them from sub-suppliers (Art. 535, 605, 612 German Civil Code) The General Terms and Conditions of Sale of the Seller only form part of the contract if and to the extent we expressly agreed to their application in written or text form.
2. Legally relevant declarations and notifications of the Seller in relation to the contract (e.g. deadlines, reminders or cancellation) must be given in written or text form (e.g. letter, email, telefax). Statutory form requirements and additional verifications in particular in the event of doubt as to the legitimacy of the declarant remain unaffected.

II. Offer, order and order confirmation

1. The preparation of offers by the Seller will be free of charge and not binding to us.
2. Orders and order confirmations are only legally binding when they have been made in written or text form. Before accepting any purchase order, the Seller must point out obvious mistakes (e.g. misspellings or calculation errors) and any incompleteness in the order including the order documents for the purpose of correction and/or completion; otherwise the contract shall be regarded as not concluded. Oral agreements, in particular the acceptance of the offer and/or other agreements of our employees are not legally binding. The Seller is required to confirm our order within a deadline of 14 calendar days in writing or in particular execute the order unconditionally by dispatching the goods (acceptance). A delayed acceptance shall be deemed to be a new offer and requires our confirmation.
3. The documents belonging to the offer and the order confirmation like drawings, pictures, technical data, reference to standards as well as statements in advertising material are agreed quality descriptions and warranted characteristics. For this, it makes no difference whether the concerned information originate from us, from the Seller or from the Manufacturer.
4. Deviations of the delivered item from offers and order confirmations, samples, test deliveries and pre-deliveries are subject to our previous consent in written or text form.
5. If, for a specific order, deviating conditions are agreed in individual contracts, then these General Terms and Conditions of Purchase shall apply in a subordinate and complementary manner.

III. Prices and payment conditions

1. The agreed prices are to be understood in ZŁOTY, incl. VAT, excluding freight, packing and ancillary costs, unless otherwise agreed in written or text form.
2. We pay all invoices arriving between the 1st and 15th of a month until the 30th of the respective month and all invoices that arrive between the 16th and the 30th of a month will be paid on the 15th of the following month by deducting a discount of 3%. Only in the event that individual contractual payment conditions are agreed upon which are advantageous for us, then these conditions shall apply.
3. Payment and discount terms shall begin with the regular receipt of the invoice, but not before the Seller has completed the delivery or performance. Insofar as documentations like technical drawings, test reports, quality and material test reports or similar documents are part of the scope of performance of the Seller, the delivery or service will not be deemed complete unless such documentation is also received.
4. Payments shall be made by bank transfer. Payment shall be regarded as on time if the bank has been instructed of the transfer on the due date. We are not liable for delays caused by the banks involved in the payment transaction. Payments do not constitute an acknowledgment of the contractual delivery or service.
5. We shall be entitled to rights of offsetting and retention as well as the plea of incomplete performance of the contract to the extent allowed by law. A deduction of discount shall remain permissible also in case of set-off or retention. In particular, we shall be entitled to withhold due payments as long as we are still entitled to claims arising from incomplete or faulty services vis-à-vis the Seller. The Seller shall only have a right of set-off and/or retention because of counterclaims that have become final and unappealable or are undisputed.
6. We do not owe any default interest. Legal provisions shall apply in case of default of payment.

IV. Delivery conditions and packing

1. Unless otherwise agreed in written or text form, the Seller shall bear for all deliveries until transfer of risk, the risk of accidental loss and accidental deterioration according to the Incoterms ex Works (version 2010 ICC) .
2. If an acceptance has been agreed, this shall be decisive for the risk of transfer. As for the rest, the legal regulations of the law applicable to works and services shall also apply accordingly. The transfer and/or acceptance is the same if we are in default of acceptance.
3. Partial deliveries require our prior written consent. Short deliveries are only allowed within the scope of commercial practice.
4. As far as they are reasonable, we can require at any time changes of the production procedure, of the drawings, specifications and/or the packing and dispatch agreements. The takeover of the additional costs resulting from the implemented change shall be agreed in the individual case between Seller and us.
5. The Seller ensures towards us the supply of spare parts during and 10 years after termination of the series supply, unless the Seller hands over to us, according to individual contractual agreement, all information with documentation regarding the manufacture of the goods. After expiration of the series, the price for spare parts may be adjusted and mutually agreed between us and the Seller.
6. The Seller shall be obliged to obtain at its own costs all documents, confirmations or evidences which are necessary according to customs regulations or other legal provisions in force, in particular drawback documents, proofs of origin as well as all other statements relating to the commercial and preferential origin of the goods and the materials, to review their correctness and submit same to us.
7. We reserve the right to determine the type of packing. In principal, the Seller shall be obliged to use for the delivery of the goods environmentally friendly and the cheaper packing in comparison to other packing on the market. A packing which was damaged already before use should not be used.
8. We shall bear the packing costs unless otherwise agreed in writing. The take-back obligations of the Seller are governed by the valid legal provisions.

V. Retention of title

1. The transfer of the ownership of the goods to us must be made unconditionally and regardless of the payment of the price. Nevertheless, if, in the individual case we accept a conditional offer of the Seller to transfer the ownership by payment of the purchase price, then the Seller's retention of title shall expire at the latest by paying the purchase price for the delivered goods.
2. A processing, mixing or connection (further processing) of items provided by us, is made by the Seller on our behalf. The same shall apply in case of a further processing of the goods delivered by us, so that we are considered as manufacturer and - according to legal provisions - we then acquire the ownership on the product at the latest with the further processing of the goods.

VI. Delay in delivery

1. The compliance with agreed delivery deadlines shall be binding. The timeliness of deliveries shall be determined by the receipt of the goods at the place of receipt specified by us and the timeliness of services shall be determined by their acceptance. Should the Seller receive knowledge about an imminent delay in delivery or service, we must be informed about this without delay in writing.
2. We are not obliged to accept goods which are delivered before the agreed delivery date.
3. In case of delayed delivered we shall be entitled to claim a penalty of 0.5% per commenced working day of delay, but in no event more than 5% of the total order value (gross). We reserve the right to prove that we have suffered a higher damage.
4. In addition, we are entitled to all the claims permitted by law. In particular, after fruitless expiry of a reasonable period of grace, we shall be entitled to demand compensation instead of performance. Our right to request performance shall be excluded only if the Seller has paid any damage.

VII. Warranty

1. For our rights in case of defects as to quality and title of the goods (including wrong and short deliveries, incorrect assembly, inadequate assembly, operating instructions) or other performance of the Seller as well as in case of other breaches of duty by the Seller, the statutory provisions shall apply unless agreed otherwise in the following.
2. We shall also be entitled to warranty claims in full, if the defect remained unknown to us upon conclusion of contract as a result of gross negligence.

3. The goods are examined by us for quality and completeness- as far as this is reasonable in the proper course of business and to the extent reasonable and technically feasible for us - and in any case randomly for identity, obvious defects and deviations in quantity. Notices of defects are in time if they are received by the Seller within two weeks in writing or orally. The deadline for the notice of defects starts with the time when we detected the default - or in case of a third-party business - when our customer detected the default.
4. The expenses necessary for examination and supplementary performance shall be borne by the Seller, even if it turned out that there was in fact no defect. Our liability for damages shall remain unaffected in case of an unjustified claim for remedy of defects; insofar we shall only be liable if we recognized or grossly negligent failed to recognize that there was no defect.
5. We shall be entitled to withhold due payments as long as we are still entitled to claims arising from incomplete or faulty services vis-à-vis the Seller.
6. If the goods show a defect as to quality or title, the Seller shall reimburse us for all costs and damages caused by the delivery of the defective goods and he shall hold us harmless against all claims in this respect. In particular, we can also demand from the Seller compensation of expenses - e.g. transport, material, working, road, packing costs as well as removal and installation costs, incurred by the customer or us in connection with the delivery of the defective goods. In the event that the Seller fails to perform its duty to remedy defects - at our option by eliminating the defect (rectification) or by supplying a fault-free item (replacement) - within a reasonable deadline set by us, then we can remedy the defect in urgent cases ourselves - in particular in the case of a threatening belt standstill - and demand from the Seller reimbursement of the expenses necessary for this or an appropriate advance payment. A deadline shall not be necessary if the subsequent performance by the Seller has failed or was unacceptable for us - e.g. because of a special urgency, jeopardy to the operational safety or imminent occurrence of disproportionate damages. We shall inform the Seller without delay about those circumstances. The mutual claims of the contracting parties shall become statute-barred in accordance with the legal provisions. By way of derogation from Art. 568(1) German Civil Code the liability from warranty shall be three years, starting with the transfer of risk. In the event that an acceptance has been agreed, the statute-of-limitations shall begin with the acceptance. The three-year liability period mentioned above shall apply accordingly also to claims resulting from defective titles whereby the statutory periods of limitations shall remain in effect; moreover, the period of the liability from warranty because of defective titles shall under no circumstances start as long as the third party can still assert the right against us.
7. The liability and limitation periods of commercial law including the above-mentioned extension - shall apply to the statutory extent - to all contractual defect claims. If we are also entitled to extra-contractual compensation due to a defect, the legally required regular statute of limitation shall apply (Art. 118, Art. 442 German Civil Code). In addition to the defect claims, we are entitled without restriction to our legally determined rights of recourse. In particular, we have the right to demand precisely a special type of supplementary performance (rectification or replacement) from the Seller which we owe to our customer in the individual case. Our statutory right of option (Art. 560, 561 German Civil Code) shall not be restricted thereby. Our claims shall also apply, if the defective goods were further processed by us or another contractor, e.g. by incorporation into another product or by affixing to another product.
8. Before we recognize or satisfy a defect claim brought against us by our customer - including reimbursement of expenses - we shall inform the Seller and, giving a brief statement of the facts, request a written comment. If we do not receive a substantial statement within a reasonable period and if also no amicable solution can be found, the claim for defects effectively allowed by us is regarded as owing to our customer. In this case the Seller is responsible for supplying counter evidence.

VIII. Product liability and insurance

1. If a third party or our customer claims liability from us on account of a provable product defect for which the Seller is responsible, then the Seller shall, at our initial request shall, release us from all claims of third parties. The Seller hereby assigns to us - by way of provisional performance - all claims to which the Seller is entitled against his vicarious agents by and in connection with the supply of defective goods or if the goods do not have the assured or warranted characteristics. The Seller shall be liable for all damages due to a fault on the part of the engaged subcontractors.
2. If we are forced to recall products, we shall inform the Seller - as far as it is possible and reasonable - without delay about the content and scope of the measures to be carried out. The Seller shall be obliged to indemnify us for all costs and damages incurred by us as a result from or in connection with the recall action.
3. Further claims pursuant to Art. 449 u.W. German Civil Code and other legal provisions concerning the product liability shall remain unaffected by this.
4. The Seller shall be obliged to ensure over the long term a reasonable insurance coverage by taking out a public liability, extended product liability and recall cost insurance (cover sum at least 1 million €) and provide evidence of such to us by submitting the actual policy on request and without delay.

IX. Quality management and documentation

1. When developing and producing the goods, the Seller shall be obliged to observe and follow the latest state of the art, all required quality standards and the agreed technical data as well as the legal regulations and other requirements. We assume that the Seller has installed a comprehensive Quality management system in accordance with current certification ISO 9001.
2. We or our customers shall have the right to carry out audits at the Seller and/or at its subcontractors. Date and scope shall be agreed mutually. The Seller shall allow the auditors access to the production and testing stations and provide access to related documentation (e.g. quality instructions, control documents, test results etc.). Thereby, reasonable measures of the Seller and/or its subcontractors to safeguard the own know how will be accepted. The audit result, if appropriate with action plan, shall be communicated to the Seller in writing.
3. The retention obligation for all quality relevant documents and samples is 10 years after the series and spare parts have been discontinued. In the event of an imminent company liquidation or insolvency, about which the Seller has to inform us in time, as well as in the event of another important reason, we shall have against the Seller a right for return of all quality relevant customer documents. A right of retention on the part of the Seller shall be excluded. The Seller permits us to verify the obligation of data retention at any time. On our request, the Seller has to make available to us originals or copies of the inspection documents without delay.
4. Our quality assurance agreement which the Seller shall conclude with us on our request, available in our Download-Center under <https://www.jaeger-polska.pl/de/pobierz.php> , shall apply accordingly. The individual agreement shall have priority over the General terms and conditions.

X. Tools, molds and provided goods

1. The payment of the remuneration for tool or mold costs shall be made on final completion and acceptance of the tool or mold, the release of outturn samples by us as well as the presentation of all documents connected with the tool or mold, unless otherwise agreed in writing. We do not accept individual contractual agreements concerning proportionate tool or mold costs.
2. With the payment of the agreed tool or mold costs (remuneration) the ownership of the tool or mold shall be transferred to us wholly and unconditionally. Should the tool or mold, after the transfer of ownership, remain by way of loan in the possession of the Seller for the purpose to realize the agreed project, then the Seller shall keep the tool or mold, at our discretion, in a location being suited for the intended and contract purpose. In-house relocations or the use of the tool or mold by other third parties require our explicit previous consent in writing. By excluding any right of retention we shall be at any time entitled to request from the Seller to return the tool or mold.
3. The Seller shall be obliged to mark the tool or mold clearly visible with the number stated in the corresponding tool specification and with the name of our company, so that the tool or mold can at any time be recognized as our property.
4. At any time, the Seller shall keep, use, maintain and repair the tool or mold at his expense with the due care of a diligent businessman in such a way that the production of the goods - at least until the agreed production volume is reached - is at any time ensured unrestrictedly and faultlessly. Should the tool or mold become unusable due to contractual use we shall bear the costs for a replacement. If this happens during the agreed output quantity, then the Seller shall bear these costs.
5. After end of series production, the Seller shall store the tool or mold for at least 5 years at his expense in such a way, that a restart of the production is possible without restrictions at any time. A scrapping or relocation of the tool or mold requires our previous consent in writing.
6. During its storage the tool or mold shall be insured by the Seller at his expense in full against loss and robbery as well as against damage and deterioration, in particular caused by lightning, water and fire impacts.
7. Goods which are made available by us, remain our property and shall be carefully stored and administered free of charge. The Seller shall be obliged to use the tool or mold only for the production of the goods ordered by us. Otherwise, the Seller shall be liable to pay to us any damages. This shall also apply to the charged provision of allocated material. Insofar as the provided goods are processed or reworked, we shall become the direct owner of the new or reworked object.

XI. Termination

Additionally to the legal causes for termination, we shall be entitled to terminate agreements with the Seller concerning deliveries and services wholly or partially and with an appropriate period of notice in writing, without any liability towards us, if:

- the Seller violates a material obligation arising out of the agreement and does not remedy this breach of duty within a reasonable time in full;
- the Seller becomes insolvent;
- in case of a change of the Seller's ownership or holding situations, as a result of which a continuation of the contract can reasonably not be expected of us. In particular, this shall apply if one of our competitors acquires a participation in the Seller or if the Seller acquires a participation in one of our competitors.

In case of a partial termination of a still uncompleted contract, the Seller shall remain obliged to fulfill the not terminated part of the contract.

XII. Subcontractors

The Seller may transfer our orders to subcontractors or other third parties only after prior written agreement with us. A breach of this requirement entitles us to terminate the corresponding contract wholly or partially and without further notice and/or to demand compensation. Furthermore, the Seller shall contractually commit its subcontractors according to the agreements concluded with us and according to all valid legal provisions. On request the Seller shall submit us an evidence about the contractual commitment of the subcontractors.

XIII. Secrecy

1. We retain property and copyright in all confidential information like documentations, drafts, drawings and other relevant documents and references. This information may only be disclosed, distributed or published in any other form to third parties after having received our written consent. Confidential information which are our property have to be returned to us on request.
2. Confidential information which we receive from the Seller may be reproduced by us and passed on to third parties within the scope and for the purpose to execute the respective project - including necessary market surveys - without the prior consent of the Seller.
3. Within the scope of the respective project agreed with us, the Seller undertakes not to initiate nor maintain any direct contact with our customers, not to supply services nor exchange information and documents and not to provide services nor supply products to these customers being related to the project.
4. In the event of a culpable breach of a provision of no. XIII, the Seller shall pay to us a contractual penalty amounting to 100,000 Zloty each, excluding any continuation of offense. We may offset the penalty against our claims for damages which otherwise shall remain unaffected by the penalty.

XIV. Property rights

1. We remain unrestrictedly entitled to dispose of our confidential information, in particular to register property rights. The Seller shall not be entitled to use our confidential information for applications of property rights or to use it otherwise, beyond the respective protect.
2. In particular, the Seller shall be liable that its contractual products or other performance do not infringe the rights of third parties, in particular name rights, copyrights or intellectual property rights. If that is the case, then the Seller shall be obliged - without any obligation on our part to review the legal situation - to release us without delay and upon our first request from all third party claims in connection with the claimed infringement. Our right, to assert in these cases claims for damages against the Seller shall remain unaffected.

XV. Force majeure

1. In the case of Force majeure, both the Seller and we shall be released from the contractual fulfillment obligation as long as this situation persists. Delivery deadlines shall only be extended if it can be proven that the occurred obstacles will have a demonstrable material impact on the production or delivery of the products. The Seller shall inform us about those circumstances without delay. If, as a result, the execution of the respective contract becomes unreasonable for us (e.g. delivery time exceeded by 30 days), then we can withdraw from the contract.
2. The Seller shall be liable for intent and negligence within the scope of the legal provisions.

XVI. RoHS/ElektroG and REACH

1. The Seller shall comply with the provisions of the EU directive 2011/65/EU Restriction on the use of certain hazardous substances in electrical and electronic equipment (RoHS-II) as well as in particular with the provisions of § 4 ElektroG.
2. The Seller shall comply with the provisions of the EU Regulation for Registration, Evaluation, Authorization and Restriction of Chemicals No. 1907/2006 (REACH) as well as with the provisions of the EU Regulation of implementation 2016/9.

XVII. Code of Conduct

We assume that the Seller meets all national and international provisions relating to the compliance with standards in the areas labor, social affairs, safety and ethics.

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

1. Place of performance for the delivery of the products shall be - unless otherwise agreed in writing - the location of our respective mentioned competent site, otherwise the registered office of our company. Place of jurisdiction shall be Gryfino, Poland. However, in all cases we shall also be entitled to bring actions in the place of fulfillment for the delivery commitment according to these General terms and conditions of purchase and/or according to a primary separate agreement or at Seller's general place of jurisdiction.

Overriding legal provisions, in particular in terms of exclusive competences, shall remain unaffected.

2. The law of the Republic Poland shall apply for all agreements and other legal relations between us and the Seller. Explicitly excluded are the United Nations Convention on Contracts for the international Sale of Goods of 11.04.1980 (CISG) as well as the Conflict of Law Rules of international private law.