

GENERAL TERMS AND CONDITIONS OF SALES AND CONSTRUCTION

JÄGER UMWELT-TECHNIK GMBH

(Version 08/2018)

I. Scope of application

These General Terms and Conditions of Sales and Construction for use in transactions with legal persons under private and public law apply to all contracts – including future contracts for the sale and/or delivery of movable goods (“goods”) including construction services and other legal relationships. General purchasing conditions of the seller shall only be a component of this contract if we have expressly agreed to these in writing or in text form.

II. Offer, order, and offer confirmation

- Our offers are non-binding. A purchase of goods by the purchaser shall be considered a binding contractual offer. If not otherwise indicated in the order, we are entitled to accept this contractual offer within 14 calendar days after we receive it. Oral agreements, in particular ancillary agreements and/or other commitments by our employees will only become legally binding if we confirm them in writing or text form.
- Orders and contract confirmations are only legally binding if they are made in writing or text form.
- Documents associated with the offer / contract confirmation such as drawings, images, technical data, references to standards, and statements in advertising materials are not considered statements of characteristics, assured properties, or guarantees unless they are designated as such expressly in writing or text form.
- Deviations between the delivered object and offers and order confirmations, samples, test, and preliminary deliveries are permitted in accordance with applicable DIN / EN standards or other relevant technical standards following prior approval of the purchaser.

III. Prices and Payment Conditions

- Our prices are provided in euros unless otherwise agreed, and apply in accordance with Incoterms (2010 version) *ex works*, not including packaging or VAT. Prices are calculated based on the pricing list valid on the date the contract was concluded.
- Our invoices are due within 14 days with a 2% discount, or within 30 days net from the invoicing date. Payments must be made within this term such that the amount necessary to pay the invoice is available at the latest by the due date. The agreed discount always applies only to the value of goods listed on the invoice, not including freight, and will only be granted if all purchaser liabilities have been fully paid at the time the discount is granted.
- Invoices for amounts below 300 EUR and invoices for assembly, repairs, mold, and tooling costs are due and payable net 8 days from the proper receipt of the invoice.
- The purchaser shall fall into default upon expiration of the above payment terms (30 calendar days / 8 calendar days). Interest shall be charged on the purchase price or compensation owed during the delay at the applicable statutory default interest rate. Our claim to commercial interest on maturity (Sec. 353 HGB - German Commercial Code) against merchants shall remain unaffected. We are also entitled under Sec. 288 BGB (German Civil Code) to invoice a flat-rate expense fee incurred by us due to the delay of 40 EUR. We expressly reserve the right to assert further damages resulting from the default. If it becomes clear after the agreement is concluded (for instance because an application is placed to open insolvency proceedings) that our claim to the purchase price or compensation because the purchaser is unable to make payment is endangered, we are entitled to deny service and to withdraw from the agreement in accordance with the law (Sec. 321 BGB), after providing a grace period if applicable. We can declare our withdrawal immediately for agreements on the manufacturing of unacceptable products. Legal regulations governing the requirement to provide a grace period shall remain unaffected.
- The purchaser shall have rights of offsetting or retention only insofar as their claim is established in a court of law or is not disputed. If there are defects in our delivery or service, the rights of the purchaser shall remain unaffected.

IV. Delivery conditions and packaging

- Upon handover of the goods to a freight or shipping company, and at the latest when said goods leave our warehouse - or the delivering factory for drop shipments - risk shall be transferred according to *Ex Works* (2010 ICC version) for all deliveries, including ... to the purchaser. The obligation and costs of unloading shall be borne by the purchaser. We will only provide transportation ensure at the instruction and cost of the purchaser. Upon request and at the cost of the purchaser, goods shall be shipped to another destination (sales shipment). If not otherwise agreed, we are entitled to select the type of shipment (in particular the transportation company, shipping route, packaging). However, in the case of sales shipments the risk of accidental deterioration and accidental destruction of goods and risk of delay shall be transferred already upon delivery of goods to the freight company,

forwarding company, or other person or entity tasked with completing the delivery. If acceptance has been agreed to, this will determine the time of transfer of risk.

- If the purchaser falls into default of acceptance, if it fails to cooperate, or if our delivery is delayed for other reasons for which the purchaser is responsible, we are entitled to request reimbursement for any resulting damages, including additional expenses (such as storage costs) from the purchaser. We will charge a flat rate for each complete calendar week of 0.5 %, and a maximum of 5 % of the net delivered value of the goods. Our right to prove that damages were higher and our legal claims (in particular reimbursement of additional expenses, appropriate payment, termination) shall remain unaffected. The above flat rate, however, must be offset against our further monetary claims. The seller is entitled to provide proof that no damages or significantly lower damages were suffered than the above flat rates.
- If goods are delivered packaged, we will charge packaging according to a contractual agreement concluded for this purpose. Within the framework of the law, we will take back packaging we have delivered if the purchaser returns or sends it back to us within a reasonable time period.
- We can accept partial deliveries to a reasonable extent. For goods produced for a specific customer, additional deliveries of up to 10 % of the ordered quantity are permitted.
- If we agree to a call-off agreement, we are entitled to purchase materials for the entire ordered quantity and to manufacture or have the entire ordered quantity manufactured immediately. Unless otherwise agreed in writing or text form, any change requests can no longer be taken into consideration after the agreement is concluded. Call off dates and quantities can only be complied with within the framework of our delivery or manufacturing abilities, unless set agreements are concluded for this purpose. If goods are not called in accordance with the contract, we are entitled to invoice them as delivered after the expiration of an appropriate grace period.

V. Retention of ownership

- All delivered goods shall remain our property (reserved goods) and may be requested by us until all claims from the business relationship have been fulfilled, no matter their legal basis, including any claims that shall come about in the future or conditional claims.
- Reserved goods shall be processed for us as the seller and/or manufacturer in the sense of Sec. 950 BGB, without resulting in any obligations for us. Processed goods shall be considered reserved goods in the sense of clause V. no. 1. If reserved goods are processed, combined, or mixed with other goods by the purchaser, we will retain co-ownership of the new goods in relation to the ratio of the invoiced value of reserved goods to the invoiced value of the other goods used. If our ownership is eliminated through the combination or mixing, the purchaser hereby already assigns any ownership rights to which it is entitled to the new inventory or material to us in the scope of the invoiced value of the reserved goods, and shall safeguard said goods for us free of charge. The resulting co-ownership rights shall be considered rights to reserved goods in the sense of clause V. no. 1.
- Purchaser claims resulting from the further sale of reserved goods are hereby already assigned to us. They shall be used to safeguard claims in the same manner as the reserved goods. If the seller sells the reserved goods with other goods not sold by us, the assignment of the claim from the sale shall only apply to the sale value of the respective sold reserved goods. When selling goods to which we have co-ownership rights in accordance with clause V no. 2, the assignment of the claim shall apply to this co-ownership percentage.
- The purchaser is entitled to collect claims from further sale until we revoke the agreement, which we may do at any time. We will only make use of our right of revocation in the cases described in clause III no. 5. Upon request, the purchaser is obligated to inform its purchasers that claims have been assigned to us - unless we do so ourselves - and to provide us with the information and documents required to collect the claims. The purchaser must inform us promptly of any seizure or other impact by third parties.
- If the recoverable value of the securities exceeds our claims by more than 10 %, we will release the security at our own discretion upon request by the purchaser.

VI. Delayed deliveries

- Agreed delivery deadlines are binding and must be observed. Delivery deadlines shall be extended appropriately if the purchaser does not submit all documents and/or required permits it is required to provide promptly, or if it does not comply with agreed payment conditions or other obligations, and if it is responsible for the delay.
- If we cannot comply with binding delivery deadlines for reasons for which we are not responsible (services not available), we will inform the purchaser of this promptly, at the same time informing them of the planned new delivery date. If the service is not available

even within this new delivery deadline, we are entitled to withdraw from the agreement in full or in part. We will then reimburse any return services already provided by the seller promptly. Delayed deliveries by our suppliers, in particular, shall be considered non-availability of services in this sense if we have concluded a congruent cover transaction, if neither we nor our suppliers are culpable for the delays, or if we are not obligated to make the purchase in the individual case.

The start of the delivery delay shall be determined in accordance with the law. In any case, however, the purchaser is obligated to send a warning.

3. In general, we will not agree to any flat rate claims for damages or any contractual penalty in case of delayed delivery through effective inclusion of General Purchasing Conditions or other contractual conditions of the purchaser.

VII. Warranty for defects

1. Statutory regulations apply to the rights of the purchaser for material and legal defects (including incorrect or reduced deliveries and improper assembly or incorrect operating instructions), unless otherwise specified in the following.
2. Complaints regarding obvious defects must be submitted promptly after goods are received in accordance with Sec. 377 HGB and are excluded if they are not received by us within 8 calendar days after the receipt of goods. Hidden defects must be submitted promptly after their discovery. The purchaser is obligated to provide the goods regarding which complaints have been made upon request.
3. If complaints regarding defects are justified and submitted promptly, we can correct the defects or deliver goods free from defects (supplementary fulfillment), at our discretion. If supplementary fulfillment fails, or if we reject such fulfillment, the purchaser can reduce the purchase price or withdraw from the agreement after providing an appropriate grace period. If the defect is not significant, they may only reduce the purchase price. If goods need to be exchanged due to wear from normal use and after the end of their typical service lives, this shall not be grounds for any claims for defects by the purchaser.
4. In urgent cases, particularly in case of imminent shutdown, the purchaser can only undertake to correct the defects at its own cost if we have agreed to this in advance in writing or text form and if the defect originated due to our culpability.
5. We will only pay purchaser expenses, in particular installation and removal costs, to the extent stipulated by law. We will not pay expenses resulting from sold goods being delivered to a location besides the headquarters or location of the seller or to a difficult to access location, unless this is part of the goods' normal and proper use.
6. We hereby expressly reject the provision of any guarantee for properties and/or minimum durability for the goods, and no such guarantee shall be agreed even if our documentation of the business transaction indicates otherwise in text or writing. We will only accept a guarantee if required by law.
7. If it is submitting claims for defects, the purchaser may only withhold payment if it is clear their complaint is justified. The amount of the withheld payment must be determined by the amount of the expected defect claims. If the defect complaint was not justified due to culpable behavior on the part of the purchaser, we can request reimbursement for any expenses we have incurred from the purchaser.
8. Further claims for defect liability are excluded in accordance with clause VIII. This applies in particular to claims for damages that did not occur to the goods themselves (subsequent damages) and for damages caused by failure to comply with applicable specifications on installation, assembly, operation, or maintenance or through improper use of the goods.
9. If not otherwise agreed in text or writing, the statute of limitations for warranty claims to which the purchaser is entitled in conjunction with the delivery of goods is 24 months from the delivery. Insofar as acceptance is agreed or stipulated by law, the statute of limitations shall begin upon acceptance.

VIII. Exclusion of liability

1. We - and our agents and employees - will only be liable for the breach of contractual and non-contractual obligations, in particular due to impossibility, delay, culpability upon initiating the contract, and prohibited behavior in cases of intentional action or gross negligence. Our sub-contractors shall not be considered agents according to Sec. 278 BGB. In general, we will not agree to any exemption from liability in favor of the purchaser through effective inclusion of General Purchasing Conditions or other contractual conditions of the purchaser.
2. These restrictions shall not apply to culpable breaches of cardinal contractual obligations, if this endangers the achievement of the purpose of the agreement, nor shall it apply to mandatory liability under the Product Liability Act, nor to injuries to life, body, or health, nor if we have intentionally concealed defects in goods. Regulations on burden of proof shall remain unaffected.

IX. Quality management and insurance

According to current certification *ISO 9001*, we have installed a comprehensive QM system and implement it accordingly, starting in the product planning stage. Our QM system is continuously improved and updated. In general,

- we complete tests of product features throughout the entire production process in order to ensure any deviations from target specifications are discovered and documented before delivery,
- we complete corrective measures when defects do occur,

- we apply defect avoidance measures in order to implement an *error recognition system* in an *error avoidance system* with the goal of zero error production,
- we provide ongoing qualification for our employees through training and information, and
- we ensure compliance with all quality and insurance standards by sub-contractors.

We also have appropriate insurance coverage which is typical for the industry. Current proof of insurance is available in our download center at <https://www.jaeger-envirotech.com/en/download.php>.

X. Toolings, provided goods, and design

1. Tooling or mold costs must be paid after the tooling or mold is completed. Once all agreed costs have been paid (compensation), ownership of the tooling or mold shall be transferred to the purchaser unless otherwise agreed in writing or text form. We will not conclude individual contractual agreements on partial tooling or mold costs. Production of sample parts shall also be paid by the purchaser.
2. If the tooling or mold is in our possession after manufacturing, we will store it at a suitable location in consideration of its usage and contractual purpose to carry out the specific project at our own discretion. We have the right to return the tooling to the purchaser at the latest two years after the project / series is discontinued.
3. Our liability is restricted to the due diligence we would take with our own goods. We will handle maintenance and servicing for the tooling or mold in accordance with Sec. 601 BGB. We will bear any costs for replacement toolings required due to normal wear and tear, up to the agreed output quantity. Any further costs shall be borne by the purchaser. We will insure the tooling against loss or destruction appropriately while it is in our possession.
4. If the purchaser must provide goods or materials to carry out the order, these must be delivered promptly, without defects, and free of charge (*no charge to the production location*) with the agreed additional quantity for scrap, or with an appropriate additional quantity for scrap. We will only be liable for defects in goods or materials delivered by the purchaser if we should have been aware of these defects had we shown proper professional due diligence.
5. If we agree to handle designing goods at the purchaser's request - if necessary using toolings, molds, and other production equipment provided to us by the purchaser - according to documents specified by the purchaser (drafts, drawings, plans, etc.) and/or using materials the purchaser has specified, we will complete our work under the following conditions:
 - a) The purchaser shall warrant that the specified production equipment and materials are appropriate for the contractually agreed-upon purpose; specifications in the above sense include the documents, production equipment, and materials if the purchaser declares that they are binding and must be used to design the delivered object. Our obligation to review the specified documents, production equipment, and material to ensure they are appropriate for the task with proper due diligence for the industry and inform the purchaser of any issues or unsuitable materials shall remain unaffected.
 - b) If goods are destroyed or if they deteriorate before handover to the purchaser due to a defect in the production equipment provided by the purchaser, or due to the documents and/or materials specified by the purchaser, or if it is impossible to manufacture the goods and we have not violated our duties to review and provide information in accordance with the above paragraph 5. a), and if we have not engaged in any other culpable behavior, we will be entitled to an appropriate percentage of the purchase price or compensation appropriate for the materials used and work performed instead of the agreed sales price and agreed compensation - even if the purchaser has not engaged in any culpable behavior itself. Our legal claims to the agreed purchase price and compensation for the part of our contractually agreed upon deliveries and services shall remain unaffected. Any further purchaser liability for its own culpability shall also remain unaffected.
 - c) If the purchaser uses the goods under conditions not conforming to the documents specified to us by it or the contractually agreed-up features (using goods under other external influences (temperature, humidity, etc.), changing technical conditions of use (operating duration, temperature, pressure loads, speed, contact with chemical compounds containing lyes or acids, etc.), installing the goods in other or technically modified objects, etc.), the purchaser shall be liable for any damages unless we have culpably caused such damages ourselves.
 - d) If not otherwise indicated in the above regulations under clause X.5., the other provisions of these General Terms and Conditions of Sales and Construction apply.

XI. 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. Drawings and other documents associated with offers must be returned to us upon request.
2. Confidential information we receive from the purchaser 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 purchaser.

We will contractually obligate third parties to maintain confidentiality for secret information accordingly. Documentation and retention obligations are established by law.

XII. Property Rights

1. We will retain unrestricted authorization to dispose of our own information, in particular to assert naming and/or copyrights and/or apply for protected rights and patents. The purchaser is not entitled to use our confidential information to register property rights or in any other way beyond the specific project.
2. If we deliver goods based on drawings, models, samples, or other documents provided to us by the purchaser, the purchaser ensures that this will not violate third party rights, in particular trademark, copyright, and commercial property rights. If third parties prohibit us from manufacturing and/or delivering contractual goods based on their own rights, we are entitled to cease our activities associated with the complaint immediately without reviewing the legal situation. The purchaser is obligated to indemnify us against all third party claims associated with the asserted legal violation. In such cases, our right to assert claims for damages against the purchaser shall remain unaffected.

XIII. Force majeure

In cases of force majeure or other unforeseeable events such as operating disruptions, fire, floods, war or terrorism, labor disputes or strikes, lockouts or official measures, lack of power or raw materials suffered by us or our suppliers, we are released from our obligation to fulfill the agreement for as long as the issue lasts. Delivery deadlines shall therefore be extended to a reasonable extent if the resulting obstacles can be proven to have a significant influence on the production or delivery of goods. We will inform the purchaser of such circumstances promptly. If it becomes impossible for the purchaser or us to fulfill the agreement due to an issue such as these, either party may withdraw from the agreement.

XIV. 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. We comply with the EU Registration, Evaluation and Restriction of Chemicals Ordinance no. 1907/2006 (REACH) and its EU implementation ordinance 2016/9.

XV. Code of Conduct

We adhere to national and international provisions related to compliance with work, social, safety, and ethical standards. The Jäger Group Code of Conduct is available in our download center at <https://www.jaeger-envirotech.com/en/download.php>.

XVI. Place of fulfillment, jurisdiction, and applicable law

1. The place of fulfillment for delivery of our goods is the headquarters of our respective indicated responsible location, unless otherwise indicated, and otherwise the headquarters of our company. The place of jurisdiction is Hanover. However, in all cases we are likewise entitled to bring complaints at the place of fulfillment for the delivery obligation according to these Sales and Construction Conditions or at the seller's general place of jurisdiction. Legal regulations with priority, in particular on 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 purchaser. 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.