

General Terms and Conditions of JHG Juchheim Handels GmbH

Preamble:

The following Terms and Conditions have been translated from German for your better understanding. There is no guarantee that the translation will fully correspond with the original. We are not liable for translation errors. For any legal transaction between us and the buyer, the Terms and Conditions and INCOTERMS stated in the original German version will apply.

I. Scope of Application

1. Concerning the delivery of products, the following sales conditions shall be applicable to all contracts concluded between the buyer and our company.
They also apply to all future business relations, even if they have not been explicitly re-negotiated.
Any kind of deviating terms and conditions on the part of the purchaser which we have not specifically accepted are in no way binding for us even if we did not explicitly contradict them.
The following sales conditions shall also apply if we carry out the customer's orders unconditionally even if we were aware that the customer's terms and conditions do not concur with our own. In addition to the above mentioned delivery and payment terms, the INCOTERMS shall apply.
2. In the contracts all agreements concerning the sales and purchase contracts between us and the customer are recorded in writing.

II. Offer and Conclusion of Contract

1. We can accept a customer's order which qualifies as an offer to conclude a purchase contract within the next four weeks by sending an order confirmation or the ordered products themselves within the same period of time.
2. Our offers are subject to change and non-binding, unless we have expressly designated them as binding.
3. We reserve our property rights, copyrights and other protective rights on all illustrations, calculations, drawings and other documents. The buyer may only pass them on to third parties with our written consent, regardless of whether we have marked them as confidential or not.

III. Terms of Payment

1. Our prices are ex works and do not include packaging unless stipulated otherwise in the order confirmation.
Our prices do not include VAT. For surcharges calculated in the annexed procedure, the prices charged on delivery are valid.
2. A cash discount deduction is admissible only if there is a separate and specific written agreement between us and the customer.
The purchase price is payable net (without deduction) and immediately upon receipt of the invoice, as long as there are no other payment terms stipulated in the order confirmation.

Payment is considered to be made only after the full amount has been credited to our account.

In case of check payments, payment is only deemed to be made, when the check is cleared.

3. If the buyer is in arrears with a payment, the legal regulations shall apply.
4. Even if claims or complaints have been put forward, the customer is not entitled to offset or exercise a right of retention unless the counterclaims have been legally established, confirmed by us or are undisputed.

The customer may exercise his right of retention only if the counterclaim is based on the same contractual relations.

IV. Delivery and Performance Time

1. Delivery dates or deadlines that have not been explicitly agreed upon as binding, are strictly non-binding information. The delivery time specified by us will not begin until all order details, including the actual delivery to the customer, have been clarified, and all the necessary official authorizations have been obtained. The customer must have met all of his obligations to cooperate properly and on time.
2. If the underlying sales contract is a fixed transaction within the meaning of Section 286 (2) No. 4 of the German Civil Code (BGB) or Section 376 of the German Commercial Code (HGB), we shall be liable for delay / late arrival in accordance with the legal regulations. The same applies if, due to a delay in delivery which we are responsible for, the customer is entitled to discontinue all interest in any further contract performance.

In this case our liability is limited to the predictable and characteristically occurring damage unless the delay in delivery is due to a deliberate contractual violation on our part, whereby we shall also take the blame for any mistakes caused by our representatives or vicarious agents. Equally we will –according to legal regulations - be liable for any delay in delivery if the delay is caused by a deliberate or grossly negligent breach of agreement on our part or caused by any of our representatives or vicarious agents. Our liability is limited to the predictable, characteristically occurring damage if the delay in delivery is not due to an intentional breach of the contract on our part.

3. In case of a delay in delivery caused by a deliberate violation of an essential contractual obligation on our part, or by one of our representatives or vicarious agents, we shall be liable according to the legal regulations. We shall be liable with the proviso that in the above mentioned case the liability for damages is limited to the predictable, characteristically occurring damage.
4. Any further liability for a delay in delivery for which we are responsible is excluded. Any further legal claims and rights the customer is entitled to in addition to the claim for damages caused by a delay in delivery which we are responsible for, remain unaffected.
5. We are entitled to partial deliveries and partial services at any time, provided, this is reasonable for the customer.
6. If a customer delays the acceptance of a delivery, we are entitled to compensation for the resulting damage as well as any additional expenses. The same applies if the customer deliberately violates any cooperation obligations. With the beginning of the default of acceptance or the debtor's delay of acceptance the risk of accidental deterioration or loss the risk is transferred to the customer.

V. Transfer of Risk – Shipping / Packaging

1. Loading and dispatching are carried out uninsured and ex works at the customer's risk. Concerning the transport and shipping route we will make every effort to take the customer's wishes and interests into account; any additional costs thus incurred, even when freight prepaid has been agreed upon, shall be at the customer's expense.
2. We do not take back transport- and all other packaging. The buyer has to dispose of the packaging at his own expense.
3. If the shipment is delayed at the request or fault of the buyer, we store the goods at the buyer's expense and risk. In this case, the notice, that the order is ready for dispatch is equivalent to dispatch itself.
4. At the request and expense of the buyer, we will secure the delivery with transport insurance.

VI. Warranty / Liability

1. The customer may settle warranty claims only after having complied with all the obligatory inspections and deficiency notifications as stated in Section 377 HGB.
2. If we are accountable for a defect in the goods, we are under an obligation to provide subsequent performance, assuming the customer has no right to withdraw from the contract or seek a diminution of the purchase price (reduction), unless we are entitled to refuse to provide subsequent performance in accordance with statutory regulations.
The buyer must grant us a reasonable period of time for subsequent performance.
The supplementary performance can, according to our choice, be in the form of correcting the fault (rectification) or the delivery of new merchandise.
In the event of rectification of the defect, we shall bear all necessary expenditures, as long as they do not increase due to the object of the contract being located in a place other than the place of performance.
If the supplementary performance has failed, the purchaser can choose to reduce the purchase price (reduction) or to withdraw from the contract.
With the second unsuccessful attempt, rectification is deemed to have failed, unless additional attempts – based on the subject matter of the contract – are appropriate, reasonable and acceptable for the customer.
This does not affect the buyer's right to assert further claims for damages under the following conditions.
The buyer's warranty claims expire one year after delivery of the goods to the purchaser, unless we fraudulently concealed the defect; in this case the legal regulations apply. Our obligations from section VI no. 4 and section VI no. 5 remain unaffected.
3. If a customer should act contrary to the stipulations of the contract, e.g. delay in payment, we shall, after having set a reasonable deadline, be entitled to repossess the goods subject to retention. If we take back the reserved goods, this equals withdrawal from the contract.
If we seize the goods subject to retention, this constitutes a withdrawal from the contract.
We are entitled to sell the reserved goods after taking them back. After the deduction of a reasonable amount for recovery costs, the remaining recovery proceeds will be set off against the customer's debt.
4. In accordance with the statutory provisions we are obligated to take back the new products and/or to the reduction (decrease) of the purchase price even where the otherwise required due notice has not been given, if the Buyer's client is to be considered a final purchaser of the new consumer products who is entitled to demand the return of the goods or the reduction (decrease) of the purchase price because of a defect of the product, or whenever the buyer is the addressee of such a claim by his client, who in turn sold the product to a

final purchaser.

Moreover we are obligated to refund any of the buyer's expenditures, in particular transport, road, labor, and material costs which the customer incurred in relation to the final consumer as part of the subsequent performance due to defective merchandise if our risk was transferred to the purchaser.

The claim shall be rejected if the customer has failed to fulfill his duties concerning the inspection and notification of defects in accordance with Section 377 of the German Commercial Code (HGB)

5. The obligation referred to in Section VI, 4, is excluded if the defects arose from advertising material or other contractual agreements which do not originate with us, or if the customer has extended special guarantees to the final user.

The afore mentioned obligation is likewise excluded if under the relevant statutory provisions the customer himself was not obligated to exercise warranty rights vis-a-vis the end consumer or has not raised objection to a claim filed against him.

This also applies if the customer has assumed warranties toward the end consumer which exceed the statutory requirements

6. In accordance with the statutory provisions, we are fully liable for damage to life, body and health caused by a deliberate or negligent violation of duty on our part or the part of our legal representatives or vicarious agents. Additionally we accept liability for damage covered by Law on Product's Liability.

In accordance with the statutory provisions we are liable for damages other than mentioned in sentence 1, if they occur due to deliberate or grossly negligent contractual infringement on our part or the part of our legal representatives or agents.

In this case, our compensation liability is limited to the predictable and characteristically occurring damage, unless the damage was caused by one of our legal representatives or agents..

We shall be liable to the extent that we have provided a guarantee on the quality and/or durability of the commodity or parts of the same.

However, we are liable only for damage resulting from the absence of a guaranteed condition, by which the goods are not affected directly, if the risk of such damage is obviously included in the guarantee of quality and durability.

7. We are also liable for damage caused by minor negligence insofar as it concerns the violation of those contract responsibilities that are vitally important for the attainment of the contract's purpose (cardinal duties)

However we are only liable insofar as the damage is typically related to the contract and can be anticipated.

8. Further liability is excluded regardless of the legal nature of the filed claim; this applies in particular to delictive claims or compensation claims for futile expenses instead of performance;

Our liability as stated in article IV, number 2 to section IV number 4 of this contract remains unaffected hereby. Insofar as our liability is excluded or limited, it applies also to the personal liability of our employees, workers, interns, representatives, and vicarious agents.

9. The purchaser's claims to damages on grounds of a defect shall expire one year after delivery of the goods. This shall not apply in case of injuries to life, body, or health caused by us, our legal representatives or agents, or if we, or our legal representatives acted deliberately or grossly negligent, or if our simple vicarious agents acted with intent.

VII. Reservation of Title

1. The delivered goods (reserved goods) including all current account balances we are presently or in the future entitled to, shall remain our property until all our claims against the purchaser have been met.
The purchaser shall treat the reserved goods with care and take out sufficient insurance against damage from fire, water, and theft at reinstatement value and at their own expense. All necessary service and repair work must be carried out by the buyer within an appropriate period of time and at the buyer's expense.
2. The Buyer is entitled to utilize and /or sell the reserved property in correct business transactions as long as he is not in default of payment.
Pledges or collateral assignments are inadmissible.
For reasons of security, the customer shall fully assign in advance any claims arising from resale or another legal basis (insurance, unlawful act) in relation to the reserved goods (including all current account balance claims) to our company; we shall accept the assignment.
We hereby grant the Buyer a revocable authorization to collect the claims assigned to us to his own account and in his own name.
The direct debit authorization can be revoked at any time if the buyer does not properly meet his payment obligations.
Equally the Buyer shall not be authorized to assign this claim to factoring, unless an obligation of the Factor is established to effect payment of the consideration in the amount of the claims directly to us, as long as we have claims against the Buyer
3. Any kind of further processing or modification of the reserved goods by the Buyer, shall in every case be carried out for us.
If the reserved goods are processed with other items that do not belong to us, we acquire co-ownership of the new item proportional to the new value of the reserved goods (.....) at the time of processing.
The new product resulting of such processing shall be subject to the same conditions as the reserved goods.
In the event of the reserved goods being inseparably intermingled with other items that do not belong to us, we shall acquire co-ownership of the new products proportional to the value of the reserved goods (final invoice amount including VAT) and the other processed items at the time of processing.
Where, as a result of the mixing, the Buyer's product is to be considered the main product, it shall be agreed, that the Buyer transfers proportional co-ownership for this product on us; we hereby accept the transfer. The purchaser (or Buyer or Customer) shall keep our thus acquired sole- or co-owning right to the thus created product in custody for us.
4. If third parties access the goods subject to retention of title, in particular the attachment of the goods, the purchaser will point out the vendor's ownership and without delay inform us, so we can assert our property rights.
If the third party is unable to reimburse the judicial or extra-judicial costs incurred in this context, the Buyer is liable for the expenses.
5. We are obliged to release the securities which we are entitled to as far as the realistically obtainable value of our own securities does not exceed the securable claims by more than 10% , whereby the securities to be released shall be selected at our sole discretion.

VIII. Place of Performance, Place of Jurisdiction, Applicable Law

1. Place of performance and jurisdiction for deliveries and payments (including actions pertaining to checks and bills of exchange) as well as all disputes between the contracting parties over the purchase contract shall be our company headquarters.
However, we are entitled to file suit at the customer's place of residence and / or place of business.

2. The relations between the contracting parties will be regulated exclusively in accordance with the German law. The application of the uniform law on the international purchase of movable objects and the law on the conclusion of international sales contracts on movable objects is excluded

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