

General terms and conditions of purchase for goods, services and work of JT International Germany GmbH

A. SCOPE AND APPLICABILITY

1. The present General Terms and Conditions of Purchase for Goods, Services and Works of JT International Germany GmbH (hereinafter referred to as the "General Terms") shall apply to all types of services covered by the present order (hereinafter referred to as the "Order"), unless:

(i) the parties have not agreed otherwise in writing; or
(ii) there is not a superseding contract concerning this Order

In such circumstances, the specific agreement between the parties shall prevail over these General Terms.
2. All offers and cost estimations of the Supplier are binding for the Supplier and do not generate costs for JT International Germany GmbH (hereinafter referred to as "JTI").
3. The General Terms shall apply exclusively; Differing or contrary terms of the Supplier will not be accepted. The General Terms shall also apply if JTI unconditionally accepts delivery despite knowledge of differing or contrary terms of the Supplier.

B. CONCLUSION OF CONTRACT

1. A contract for the purchase of goods or the commissioning of services (hereinafter the "Agreement") is concluded only after the Suppliers written confirmation of the Order or by delivery of the Goods/Service. An order is merely an offer to enter into a contract, even if the Order is the response to an offer from the Supplier. If the Supplier does not accept the Order within 14 calendar days of receipt, JTI may revoke the Order.
2. The current version of the General Terms shall apply to all subsequent Orders without any explicit reference or agreement being required when concluding the respective agreement. JTI hereby objects to any contrary order confirmations and counter offers.
3. If the Supplier's written order confirmation deviates from the Order, the written confirmation shall constitute a new offer. In this case, the contract shall only be deemed concluded after written confirmation by JTI.

C. PROVISIONS APPLICABLE TO THE PURCHASE OF GOODS AND TO WORK SUPPLY AGREEMENTS

1. **Quality and Description**
The Supplier warrants that the goods:
 - Conform in quantity, quality and description with the particulars stated in the Order
 - Are of sound material and workmanship;
 - Are equal in all respects to the specifications and samples agreed to by the parties;
 - Represent the standard of technique and science and fit for the purpose as expresses or implied by the Order
 - Comply in all respects with all relevant laws in force at the time of delivery
2. **Shipping and Delivery**
Unless and until otherwise specified in the order or expressly agreed in writing between the Supplier and JTI, all deliveries shall be made free domicile as defined in the Incoterms 2010. In the event that the ordered products are packed or palletized with raw, untreated wood, the Supplier guarantees and assures that the guidelines ISPM 15 of the Food and Agriculture Organization of the United Nations are strictly observed and adhered to. Upon delivery, the Supplier shall provide JTI with all documents necessary for the operation of the delivery item and/or listed in the respective specifications.
3. **Delivery Date**
 - 3.1. The delivery has to be at the agreed place of receipt to be in time; deliveries with installation/assembly and services have to be accepted to be on time. If JTI delays the acceptance culpably, the time of readiness for acceptance shall be decisive for such services. The contractual deadline applies not only to the satisfactory delivery of the goods, but also to the submission of all technical, administrative and shipping documents.
 - 3.2. In the event that the goods are delivered in instalments, the Supplier will advise JTI promptly once the final instalment has been delivered. Should the agreed delivery date be exceeded, JTI reserves all legal rights in case of non-compliance with the agreed time of performance.

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3.3. In the event of a foreseeable delay in a delivery or service or its non-conformity with the contract, the Supplier shall notify JTI immediately in writing or in text form, irrespective of whether the Supplier is responsible for the delay. JTI shall decide whether JTI will adhere to the execution of the delivery or service or withdraw from the contract. Acceptance of the delayed delivery/service shall not constitute a waiver of claims for compensation.

4. Prices

Unless otherwise stated on the Order, the prices are firm and include all taxes, levies or other charges, such as transport, delivery and packaging costs. Nevertheless, JTI will benefit from any general price reductions of the goods covered by the Order which the Supplier may make in the period between the conclusion of the contract and the full delivery of the goods. Unless otherwise agreed in writing, JTI is not obliged to return or send back packaging materials.

5. Warranty

5.1. In the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, faulty/non-existent assembly, operating instructions) and in the event of other breaches of duty by the Supplier, the statutory provisions shall apply unless otherwise specified below.

5.2. Contrary to § 442 Para. 1 S.2 BGB (German Civil Code), JTI shall be entitled to claim for defects without restriction even if the defect remained unknown to JTI at the time the contract was concluded due to gross negligence.

5.3. Upon receipt of the goods, JTI shall inspect the delivered goods for deviations in quality or quantity within an appropriate period. If an inspection of the delivered goods for deviation from the agreed characteristics which exceeds the usual extent of an inspection is necessary, as a result of defective performance, the Supplier shall bear the costs for this. Any information in writing about defects that the Supplier receives within 15 working days about shall be deemed to have been made within a reasonable time, in the case of obvious defects; or in the case of hidden defects, the notification shall be deemed to have been made within reasonable time when made after discovery of the defect. All statutory warranty rights shall remain in full force and effect.

5.4. JTI reserves the right to choose at its discretion whether to demand remedy of the defects or delivery of new goods. The Supplier shall bear the costs and risk of returning defective goods. In the event of subsequent fulfillment, the Supplier shall bear all expenses necessary for the purpose of subsequent fulfillment, in particular transport, travel, labour and material costs as well as installation and removal costs. All claims for damages, in particular for damages in lieu of performance, shall remain in full effect. In case of immediate danger to the goods or the company, JTI will take care of the remedy of the defects himself at the Supplier's expense.

5.5. JTI's liability for damages in the event of unjustified claims for rectification of defects shall remain unaffected; in this respect, however, JTI shall only be liable if JTI has recognised or grossly negligently failed to recognise that no defect existed.

5.6. Notwithstanding § 438 Para. 1 No. 3 BGB, the general limitation period shall be 36 months from the passing of the risk. If acceptance has been agreed, the limitation period shall commence upon acceptance. The 3-year limitation period shall also apply to claims arising from defects in title, whereby the statutory limitation period for claims in rem for surrender by third parties (§ 438 Para. 1 No. 1 BGB) shall remain unaffected; furthermore, claims arising from defects in title shall not become statute-barred under any circumstances as long as third parties are still able to assert the right against JTI, in particular in the absence of a limitation period.

5.7. In addition to any statutory claims in the event of defects, JTI shall be granted an independent warranty for the goods for a period of ONE YEAR from receipt of the goods by JTI with respect to both material and / or design defects. JTI shall inform the Supplier in writing as soon as such a defect is discovered. JTI shall be entitled to all claims arising from this under German law in full.

D. PROVISIONS CONCERNING THE COMMISSIONING AND PERFORMANCE OF SERVICES AND WORKS

1. Technical Standards and Requirements

The Supplier guarantees that the services

- Meet the state of the art in science and technology, unless a higher standard has been agreed upon.
- Comply in all respects with the law applicable in the time of the service

2. Acceptance

2.1. On the agreed delivery date, the Supplier shall hand over the works in accordance with the agreed requirements. If no delivery date has been agreed, acceptance shall take place after completion of the work.

2.2. Work performances shall be subjected to an acceptance test after provision by the Supplier. After completion of the acceptance test, JTI shall declare acceptance of the service provided that the service is free of defects.

2.3. 13.3 Assumed acceptance, also through commissioning, are expressly excluded. Acceptance must be made in writing, by e-mail or by fax.

3. Warranty

3.1. Unless otherwise specified below, all rights granted by the law in case of defective work/service remain in full effect.

3.2. JTI shall also be entitled to claim in full for defects if the defect remained unknown to JTI as a result of gross negligence at the time the contract was concluded.

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3.3. 14.3 JTI reserves the right to choose at its own discretion whether to remedy the defects or to request a new performance of the service/work. In case of immediate danger for the goods or the business of JTI, JTI will take care of the remedy of the defects himself at the expense of the Supplier. All claims for damages, in particular for damages in lieu of performance, shall remain fully valid. All rights of JTI shall be extended to services provided by subcontractors of the Supplier.

3.4. Claims for defects against the Supplier shall prescribe after 36 months after acceptance in the case of work performance.

4. Assurance of the Legal Obligations of Employees

The Supplier assures that he will only deploy employees who are in possession of a residence permit valid in the Federal Republic of Germany, a valid work permit for the Federal Republic of Germany and a social security number for the provision of the service. Employees are required to carry appropriate documentation with them if they work on the premises of JTI. The Supplier shall maintain up-to-date police clearance certificates for all employees employed by JTI and, upon request, present these to JTI prior to their first assignment to work. The breach of the foregoing obligations shall be deemed a breach of contract which entitles JTI to terminate the contract for cause and to seek compensation for any damages arising out of such conduct and termination of the contract.

5. Assurance of Occupational Safety Requirements

The Supplier shall oblige all employees deployed to comply with the legally prescribed safety regulations, the safety regulations of the Employer's Liability Insurance Association and the internal safety regulations of JTI before deploying the employees on the premises of JTI. The JTI safety regulations for external workers are an integral part of all contracts with JTI. The Supplier shall ensure that all employees comply with these safety standards and receive appropriate training on these standards before being deployed on the JTI premises. The Supplier shall document safety instructions in an appropriate manner. JTI shall be entitled to inspect these documents at any time upon request. Any failure to comply with the aforementioned safety regulations will result in a written warning to the Supplier by JTI. In case of repeated failure to comply, JTI shall be entitled to terminate the agreement for cause and to damages arising from such behavior and the termination.

6. Subcontraction

The Supplier is entitled to use subcontractors only after prior written approval by JTI. The Supplier warrants that all subcontractors will comply with the provisions of these General Terms. Failures by the subcontractor are subject to the same consequences as failures by the Supplier itself.

7. Open Source Software

7.1. The Supplier warrants that its services contain only Free and Open Source Software, whose use has previously been approved in writing by JTI.

7.2. "Free and Open Source Software" ("FOSS") is software that is provided by the copyright holder to any user free of charge with the right to edit and/or distribute under a license or other contractual arrangement.

7.3. If the Supplier uses released FOSS, it shall, without prejudice to its obligation to comply with the License Terms, provide JTI with a list of all used FOSS components, including a reference to the applicable license, a copy of the full license text and the existing copyright notices, and provide the corresponding source code of the FOSS components.

E. COMMON PROVISIONS FOR GOODS, SERVICES AND FACTORY PERFORMANCES

1. Liability

Unless otherwise agreed, the Parties' liabilities will be subject to the legal regulations. Limitations will not be accepted.

2. Indemnification

The Supplier agrees to full indemnification of JTI (or any of JTI's affiliate companies) from any liability/claim as a result of the violation of a domestic or a foreign product liability law/regulations caused by delivered goods or otherwise by the Supplier. The Supplier shall indemnify JTI against such claims by third parties and reimburse the costs incurred by JTI in this connection to the extent that the cause of the asserted damage was set within its sphere of responsibility, control or organization and it is itself liable externally. The Supplier shall reimburse JTI for any payment made by JTI to satisfy such justified claims. The obligation to indemnify and hold harmless JTI shall not apply if the underlying event is due to gross negligence or intent on the part of JTI, its employees, representatives, agents or any of its affiliates. The Supplier shall promptly inform JTI of any legal proceedings brought or claims made against it and, at JTI's request, provide JTI with all relevant documentation.

3. Confidentiality

The Supplier will not disclose to any third party any information that JTI or any of its affiliates shares with it, except as required by law or necessary for the performance of the business relationship. The Supplier shall ensure that this obligation also applies to the employees and to any third party who assists in fulfilling the Supplier's obligations under the business relationship with JTI. The confidentiality obligation continues to exist for a further five years after the termination of the contractual relationship.

4. Correspondence and Invoices

All documents must refer to the Order number. The Supplier will issue and send invoices as specified in the Order.

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5. Terms of payment

- 5.1. Unless otherwise agreed, the term of payment for JTI shall be 30 days from complete delivery or performance and receipt of invoice or from acceptance for work performance and receipt of invoice. Payments shall not constitute recognition by JTI of the delivery or services as being in accordance with the contract.
- 5.2. The Supplier shall be responsible for the proper taxation of all payments made by JTI. The remuneration shall be paid plus statutory value added tax if and to the extent that the Supplier's services are subject to value added tax and if the Supplier issues a proper invoice in accordance with the provisions of the VAT Act. If it turns out that the Supplier's services are not subject to turnover tax, the Supplier shall reimburse JTI immediately for the unjustifiably declared turnover tax, waiving the plea of deprivation (§ 818 Para. 3 BGB).

6. Assignment

The Supplier shall only be entitled to assign claims and other rights with the prior written consent of JTI; § 354a HGB shall remain unaffected.

7. Intellectual Property

- 7.1. The Order does not grant the Supplier any authorisation whatsoever to manufacture, sell or advertise any products, trademarks or logos of JTI or any of its affiliates. Furthermore, the Supplier shall indemnify and hold JTI harmless from and against any claims arising from an infringement of industrial property rights and copyrights in relation to the goods or services. The Supplier shall also inform JTI of any counterfeit products known to the Supplier. Any use of the name, trademarks or logos of JTI, for example for reference purposes, requires the prior written consent of JTI.
- 7.2. All results (including test and development reports, suggestions, ideas, drafts, designs, proposals, samples, models, drawings, CAD data sets and other documents) arising within the scope of the Order shall be the property of JTI or a company within the group of companies.
- 7.3. All diagrams, samples, profiles, drawings, artwork, designs, models, documents, equipment and other information or other materials (hereinafter referred to as "Materials and Equipment") provided by JTI to the Supplier shall remain the full property of JTI. The Supplier will inspect the material and equipment prior to practical use. The Supplier shall only be entitled to use them for the execution of the order, shall keep them in good condition and return them to JTI immediately upon first request, copies shall be destroyed.

8. Force Majeure

The Parties' obligations under the Agreement are extinguished if contract performance is prevented for more than one month for any circumstances beyond the Parties' reasonable control, including without limitation strikes, lock-outs, accidents, war, fire, acts of God, reduction in or unavailability of power or breakdown of plant or machinery. In this case, JTI is only obliged to pay the Supplier for the goods or services it received before the date of such an event.

9. Compliance

- 9.1. The Supplier undertakes to comply with the JTI SUPPLIER STANDARDS (www.jti.com/supplierinformation) and undertakes all necessary and proportionate measures to combat corruption and avoid other violations of the law. The condition for maintaining business relations with JTI is therefore the full implementation and observance of these principles by the Supplier.
- The Supplier acknowledges that a breach of these standards may be considered as a material breach of contract which entitles JTI to terminate an Order with immediate effect for cause.

- 9.2. Further information, also with regard to data protection, can be found at www.jti.com/supplierinformation.

- 9.3. During the business relationship with JTI, the Supplier undertakes at all times to act in accordance with the aforementioned rules and regulations and to oblige its employees, subcontractors and any other third parties who assist in fulfilling the Supplier's obligations under the business relationship with JTI.

10. Know Your Supplier (KYS)

According to the JTI Know Your Supplier Program ("KYS") and also to comply with the Corporate Compliance section of the Cooperation Agreement of 14 December 2007 (the "EU Agreement") between JTI SA and JT International Holding B.V. on the one hand and the European Union and the participating Member States on the other, the full text of which can be downloaded at www.jti.com, JTI must certify its suppliers (detailed information on the certification process can be found in the JTI brochure on "Responsible Procurement"). The Supplier therefore acknowledges and agrees that the information provided to JTI in the course of certification will be held by JTI in a database accessible only to JTI employees, who in turn will only have access to it if necessary. However, in cases where administrative or law enforcement authorities require access to certain information contained in the database, and provided that this request is apparently covered by either a court order or an administrative act of a court or authority having jurisdiction locally and factually, the Supplier takes note and agrees that JTI will release the requested information. JTI shall immediately inform the Supplier of any such request, unless this is expressly prohibited by the aforementioned authorities. JTI is not obliged to appeal a court order or any decision of any governmental or law enforcement agency.

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As a certified supplier, the Supplier hereby affirms that the following principles of the EU Contract are observed (cf. Art. 5.9 of the EU Contract):

- (i) Comprehensive compliance with the relevant laws and regulations governing to
 - the supply of raw materials required for the manufacture of cigarettes or so-called Other Tobacco Products (OTP),
 - the sale, distribution, and/or storage of cigarettes or OTP.
- (ii) Full compliance with the principles of the Japan Tobacco Companies Code of Conduct, available at www.jti.com, Responsible Procurement, Anti Money Laundering Program, Know Your Customer and Know Your Supplier Program;
- (iii) Extensive cooperation in investigations by the EU and/or participating Member States in connection with illegal products, insofar as is permitted by law;
- (iv) No sale of any raw materials, including but not limited to NTM, to any person or entity that the Contractor knows or should know is involved in any illegal trade or in respect of which the Contractor has been provided with documents or other valuable evidence that it is involved in any illegal trade or that it is a barred business partner;
- (v) Express and unreserved consent to JTI to terminate the business relationship if a Japan Tobacco Group company receives sufficient evidence that the contractor has unlawfully, knowingly or recklessly engaged in or favoured the manufacture, sale, distribution and/or storage of illegal products or other related activities.

Unless otherwise provided, the definitions/rules of the EU Treaty apply.

JTI will terminate the Contract immediately for good cause if the Supplier fails to comply with the principles and obligations set out above or if the Contractor has provided JTI with misleading or false information in connection with the response to the KYS Questionnaire.

11. Choice of Law, Jurisdiction, Miscellaneous

In accordance with the more precise designation in the Order, the place of performance shall be the registered office of the company or branch of JTI. These General Terms are subject to German law. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, concluded in Vienna on 11 April 1980, shall not apply to the Contract. Any dispute relating to the Contract or the General Conditions shall be subject to the exclusive jurisdiction of the courts of Trier. The invalidity of individual provisions of these General Terms shall not affect the validity of the other provisions. Invalid provisions shall be deemed as replaced by such valid provisions that shall be suitable to implement the economic purpose of the deleted provision to the greatest extent possible.

The General Terms exist in German and English. In the event of a dispute, the German version shall always prevail.

Status: March 2025