

General Terms and Conditions of Purchase LMT GROUP

(Apply for: LMT Leading Metalworking Technologies GmbH & Co. KG, Fette Compacting Holding GmbH, Fette Compacting International GmbH, Fette Compacting GmbH, Fette Engineering GmbH, LMT Tools GmbH & Co. KG, LMT Fette Werkzeugtechnik GmbH & Co. KG, LMT Kieninger GmbH & Co. KG, LMT Tool Systems GmbH & Co. KG, LMT Finance & Shared Services GmbH & Co.

1. scope of application, reservation of confirmation
The following General Terms and Conditions of Purchase apply exclusively to our orders. Changes or additions require written confirmation to be effective.

Any terms and conditions of the supplier that contradict or deviate from our Terms and Conditions of Purchase shall not apply. This shall also apply in the event that we accept deliveries or services of the supplier without reservation in the knowledge that the supplier's terms and conditions of purchase conflict with or deviate from these terms and conditions of purchase.

2. offers, cost estimates, documents
The supplier must adhere exactly to our inquiry when submitting an offer and, in the event of deviations, must expressly point this out. The offer shall be free of charge and does not create any obligations for us. Cost estimates will only be reimbursed by special agreement.

We shall not bear costs for sampling. On drawings, drafts, models, samples, manufacturing specifications, etc. (documents) which we have provided to the supplier for the purpose of submitting an offer or carrying out an order, we reserve all our rights, such as the right of ownership and copyrights. These documents shall not be used for other purposes, copied or shall made available to third parties. They shall be returned to us immediately after completion of the last order without being requested or shall be destroyed, in case of electronically transmitted data.

3. conclusion of contract
Orders and call-offs must be issued in writing. This also applies to changes and modifications. Our documents can be sent either by post or electronically.

The supplier must confirm orders within 3 working days after receipt by means of order confirmation or by countersigning the order. In the case of call-offs, these shall become binding if the supplier does not object within 5 working days after receipt of the call-off.

4. prices, due date, payment

The prices quoted in the order are unconditional fixed prices and are understood to be net prices free of charge to our works or the place of receipt specified by us in the order, including packaging. We are a SLVS waiver customer. The applicable value added tax must be added.

Invoices can only be processed if they contain the following information: correct company name, LMT order number, delivered article (description and LMT article number), quantity delivered, price per delivery item.

Unless otherwise agreed, invoices must be sent to us by post, separately from the delivery. A transmission exclusively by electronic means is only permissible if we have expressly consented to this form of delivery.

Unless otherwise agreed upon in writing, invoices shall be payable within 30 days from delivery and receipt of invoice with 3% discount or within 60 days net from delivery and receipt of invoice. We shall have the right to set-off and retain payments to the extent permitted by law.

The agreed due dates for payments will be postponed accordingly in the event of delays in delivery or performance.

We have the right to demand interest on any of our down payments for the duration of the delay at a rate of 8 percentage points above the respective base interest rate, unless the supplier is not responsible for the delay.

Without our prior written consent, the supplier is not entitled to assign his claims or to have them collected by third parties. We must not unreasonably refuse to grant such consent.

5. delivery periods and dates, contractual penalty
Agreed delivery periods and dates are binding. Delivery periods shall run from receipt of the order. Without prejudice to any further rights and claims, delays shall be notified to us without undue delay, stating the reasons. In the case of goods, the date of receipt of the goods by us and, in the case of services, the day on which the work is completed shall be decisive for adherence to the delivery period or delivery date.

In the event of delivery delays, we are entitled to claim 0.2 % of the agreed price of the entire delivery for each completed day of

delay, up to a maximum of 5 %.

We shall be entitled to claim the contractual penalty in addition to performance; the reservation of the contractual penalty shall be deemed to have been made in due time, provided that it is declared to the supplier within 10 working days of receipt of the delayed delivery at the latest. Further claims and rights, in particular a claim for damages, remain reserved. The contractual penalty shall be set off against any claims for damages.

We shall be entitled to refuse acceptance of goods delivered before the agreed delivery or we shall be entitled to return those goods at the expense and risk of the supplier or to store them at third parties at the expense and risk of the supplier.

6. transfer of risk, documents
Unless otherwise agreed, deliveries shall be made free to our facilities mentioned in the order or the place of delivery mentioned in the order. The acknowledgement of receipt is only to be regarded as an acknowledgement of receipt of the goods, but not as an acknowledgement of proper fulfilment.

All shipments must be accompanied by a delivery note with our order details such as the number of the LMT order, designation and LMT article number of the delivered articles, supplier number and quantity delivered. Partial deliveries are only permitted with our prior written consent and must be designated as such. The remaining quantity to be delivered shall be indicated on the delivery note.

7. force majeure
In cases of force majeure, strikes or lockouts, we may first demand execution at a later date without any claims against us arising for the contractor. In the event that the circumstance persists for more than four weeks, we shall also be entitled to withdraw from the contract without any claims against us arising from this for the contractor. If the performance of the order in these cases is unreasonable for the contractor, he may withdraw from the contract.

8. notification of defects, claims for defects
In the case of delivery of goods, we are only obliged to inspect the delivery for deviations in identity and quantity as well as obvious transport damage and defects. Such claims must be raised to the supplier within 14 days after receipt of the delivery. In the case of all other defects, notification of defects is in due time, supplier shall be informed within 14 days after discovery of the defects. The acknowledgement of receipt shall not be deemed to be an acknowledgement that the goods are free of defects.

The supplier warrants that the performance does not show any defects which impair its value or suitability, in particular that it has the agreed quality or corresponds to the initial sample approved by us, is suitable for the use assumed in accordance with the contract as well as for normal use, complies with the generally accepted rules of technology, regulations applicable at the time of delivery and the safety requirements valid at the time of delivery as well as the relevant work safety and accident prevention regulations.

If the contractor's performance shows a defect, we shall be entitled to the statutory claims for defects without restriction, whereby we shall be entitled to choose the type of supplementary performance. In addition, we shall be entitled to remedy the defect ourselves or have it remedied by third parties at the supplier's expense and risk after expiry of a grace period set to the supplier, in the event of refusal of subsequent performance or failure to remedy the defect, which shall be the case in the event of two unsuccessful attempts at subsequent performance. In all other respects, the supplier shall be liable within the framework of statutory provisions.

The limitation period for claims in respect of a defect is 36 months, beginning with the transfer of risk, unless a longer limitation period is provided for by law.

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9. confidentiality

The contracting parties undertake to treat as business secrets all commercial and technical matters which are not common knowledge and which become known to them as a result of the business relationship.

The business relationship with us may only be referred to in the supplier's advertising if we have given our prior written consent. Production equipment manufactured at our expense or provided by us such as drawings, models, samples, templates, matrices etc. may not be used for deliveries and services to third parties or for the supplier's own purposes.

10. Defects of title

The supplier warrants that the goods are free from third party intellectual property rights that prevent or restrict their contractual and normal use.

If third parties assert claims which prevent us or our customers from using the goods in accordance with the contract, we shall inform the supplier thereof. In this case, the supplier shall, at his own expense and at our discretion, either

(a) give us and/or our customers the right to use the goods; or

(b) design the delivered goods to be free of protective rights, provided that the contractually agreed characteristics are not impaired; or

(c) replace the delivered goods with other goods with the same characteristics that do not infringe any third party industrial protective rights.

This does not apply if the goods were manufactured by us in accordance with our specifications and the supplier was not aware of the conflicting industrial property rights and the supplier would not have had to know them even if the diligence of a prudent businessman had been exercised. Otherwise, the statutory provisions shall apply.

The supplier shall indemnify us against any claims of third parties on the basis of existing third-party industrial property rights and to reimburse us for all costs incurred in defending ourselves against such claims, including the costs of legal representation, unless the supplier was not aware of the conflicting industrial property rights and the supplier would not have had to know them even if the care of a prudent businessman had been exercised.

11. product liability

Insofar as damage to life, limb or property of a third party occurs as a result of the goods delivered by the supplier, the supplier is obliged to indemnify us from claims for damages by the third party on first demand, insofar as the cause of the damage is in his area of control and/or organisation and he is liable himself in the external relationship.

Within the scope of his liability for damage cases in accordance with the preceding paragraph, the supplier is also obliged to reimburse us for any expenses in accordance with the statutory provisions arising from or in connection with a product recall campaign carried out by us. The supplier shall provide us with appropriate support in this respect, in particular by providing us with all necessary information without delay. Other legal claims remain unaffected by this.

The supplier commits himself to take out a product liability insurance policy with an amount insured that is customary in the industry and appropriate to the transaction. He undertakes to maintain it during the term of the contract and for a period of 3 years thereafter. Any further claims for damages beyond this shall remain unaffected.

12. Final provisions

If the supplier suspends his payments or if insolvency proceedings are applied for over his assets or judicial or out-of-court settlement proceedings are filed, we shall be entitled to withdraw from the contract for the unfulfilled part of the contract.

Should a provision of these terms and conditions and any further agreements made be or become invalid, this shall not affect the validity of the remaining terms and conditions as well as the

validity of the contract based on them. The parties shall conduct negotiations in good faith to replace the invalid provision with a valid provision that comes as close as possible to the economic purpose of the invalid provision.

The law of the Federal Republic of Germany shall apply exclusively to all legal relations between the supplier and us, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods ("CISG").

Place of performance for deliveries and services is the place of destination. The exclusive place of jurisdiction is our registered office. We shall also be entitled to take legal action at the supplier's place of business.

(January 2019)