General Terms and Conditions of Purchase

(Apply for: LMT GmbH & Co. KG, Fette Compacting Holding GmbH, Fette Compacting GmbH, LMT Immobilien GmbH & Co. KG)

1. Scope of application
   The following General Terms and Conditions of Purchase apply exclusively to our orders. The General Terms and Conditions of Purchase can be found on the Internet at www.fette-compacting.com/en/purchasing information and we are pleased to send them on request.

   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 knowledgement that the supplier's terms and conditions of purchase conflict with or deviate from these terms and conditions of purchase. Acknowledgement is only valid if we agree in writing.

   The General Terms and Conditions of Purchase shall also apply to all future business with the supplier.

2. Offers, documents
   Offers shall be free of charge and shall not create any obligations for us. Cost estimates shall only be remunerated by special agreement. Offers of the supplier require our express confirmation to be valid.

   The supplier must adhere to our inquiry in terms of type, quality, quantity and condition when submitting an offer and, in the event of deviations, must expressly point them out and mark them accordingly.

3. Conclusion of contract
   Orders and call-offs under framework agreements must be issued in written form. This also applies to changes and modifications to orders. 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. Call-offs become binding if the supplier does not object within 5 working days after receipt of the call-off.

4. Prices, payment terms

   The price stated in the order is binding. Unless otherwise agreed, the price is a net price free to our works or the place of receipt specified by us in the order, including packaging. We are an SLVS waiver customer. The respectively valid value added tax is to 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. The supplier shall be responsible for all consequences arising from non-compliance with the obligation.

   Invoices can be sent to us by electronic mail to the address mentioned in the order.

   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 payment dates shall be postponed accordingly in the event of delays in delivery or performance by the supplier.

5. Delivery dates, delay liquidated damages
   Agreed delivery dates are binding. Delivery periods shall start 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 delay liquidated damages in the amount of 0.2 % of the agreed price of the entire delivery for each completed day ofdelay, up to a maximum of 5 %.

   We shall be entitled to claim delay liquidated damages in addition to performance; the reservation of the delay liquidated damages may be asserted until payment of the invoice. 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 order, designation and 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. Warranty, warranty claims
   The limitation period for claims for defects is 36 months from the date of delivery.

   The supplier warrants that (i) the supply is free from defects, (ii) has the agreed quality or corresponds to the initial sample released by us, (iii) is suitable for the use assumed under the contract as well as for normal use, (iv) complies with the generally accepted rules of technology and (v) complies with all applicable laws.

   If supplier’s performance is defective, we shall be entitled to the statutory claims for defects, whereby we shall have the right to choose the type of subsequent performance. We shall also be entitled, after expiry of a grace period, to remedy the defect ourselves or have it remedied by third parties at the supplier's expense and to assert claims for damages.

   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, if the supplier is informed during the warranty period 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.

9. Defects of title
   The supplier warrants that the goods are free from third party industrial property rights, which conflict with or restrict the contractual and normal use of the goods.

   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 accordingly. In this case, the supplier shall, at its own expense and at our discretion, either

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

   (b) make the delivered goods non-proprietary, provided that the contractually agreed properties are not impaired thereby; or

   (c) replace the delivered goods by other goods with the same properties which do not infringe any third-party property rights.

   This shall not apply if the goods were manufactured according to our specifications and the supplier was not aware of the conflicting property rights and the supplier should not have been aware of

them even if it had exercised the due diligence of a prudent businessman. In all other respects, the statutory provisions shall apply.

The supplier shall indemnify us against any claims of third parties based on existing industrial property rights of third parties and reimburse us for all costs incurred in the defence of the claim, including the costs of legal representation, unless the conflicting industrial property rights were not known to the supplier and the supplier should not have been aware of them even if it had exercised the due diligence of a prudent businessman.

10. Liability

The supplier shall in principle be liable in accordance with the statutory provisions.

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 organization 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

11. Retention of title, property rights

Insofar as we provide the supplier with tools, we reserve the right of ownership. The supplier is obliged to use the tools exclusively for the manufacture of the ordered goods and to clearly mark them as our property. The tools are to be stored separately from the supplier's tools. The supplier is obliged to insure tools belonging to us at replacement value against fire, water and theft damage at his own expense. The supplier is obliged to carry out any necessary maintenance and inspection work in good time at his own expense. The supplier shall notify us immediately of any malfunctions. If he culpably fails to do so, claims for damages shall remain unaffected.

If we provide goods to the supplier, we reserve the right of ownership. Processing or transformation by the supplier shall be carried out for us. If our goods are processed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of our goods to the other processed items at the time of processing. If the goods provided by us are inseparably mixed with other goods not belonging to us, we shall acquire ownership of the new goods in the ratio of the value of our goods to the other mixed objects at the time of mixing. If the mixing takes place in such a way that the supplier's goods are to be regarded as the main item, it shall be deemed to be agreed that the supplier grants us pro rata ownership. The supplier shall then keep the sole ownership or the co-ownership for us.

We reserve the property rights and copyrights to illustrations, drawings, drafts, models, samples, calculations and other documents which we have provided to the supplier for the purpose of submitting an offer or executing an order. These documents may not be used for other purposes, reproduced or made accessible to third parties. They are to be returned to us at any time upon request or to be destroyed in the case of electronically transmitted data. Sampling shall not incur any costs for us.

12. Supplier Code of Conduct

The Supplier is obliged to comply with the Supplier Code of Conduct in its currently valid version. The latest version of the Supplier Code of Conduct can be viewed on the Contractor's homepage https://www.fette-compacting.com/en/purchasing-information and can be sent upon request. The Contractor may amend the Supplier Code of Conduct at any time if legal, regulatory or institutional requirements, jurisdiction or ethical principles change.

The Supplier Code of Conduct sets out the minimum standards to be complied with. Where the Supplier Code of Conduct is in conflict with local laws, the local laws shall prevail.

If the Supplier breaches its obligations under the Supplier Code of Conduct or if a breach is imminent, the Supplier shall inform the Contractor immediately and shall take immediate remedial action to ensure compliance with its obligations.

A breach of the Supplier Code of Conduct constitutes a material breach of the contract. In this case, the Contractor has the right to terminate the contract extraordinarily without notice. After termination, the Contractor is not be obliged to pay any outstanding remuneration or other payment (including compensation for damages due to the termination).

The Supplier is obliged to indemnify the Contractor against all consequences resulting from violations of the Supplier Code of Conduct, in particular fines, penalties and claims by third parties or authorities.

13. Confidentiality

The parties undertake to treat as business secrets all commercial and technical matters which are not in the public domain and which become known to them through the business relationship. Reference may only be made to the business relationship with us in the supplier's advertising if we have agreed to this in writing in advance. Production equipment such as drawings, models, samples, templates, matrices etc. made at our expense or made available by us may not be used for deliveries and services to third parties or for the supplier's own purposes.

14. 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.

(March 2023)