

GENERAL TERMS AND CONDITIONS OF LUTZ GMBH & CO. KG, SOLINGEN

Rev. 9 dated 14 April 2021

1. General provisions

Our services are subject exclusively to the following terms & conditions unless we have confirmed exceptions in individual cases in writing. Our customers' terms & conditions shall, therefore, only apply to the extent they coincide with our own, whether or not we have explicitly objected to them. Acceptance of the services ordered shall be deemed recognition of our terms & conditions. All agreements are to be recorded in writing in all cases. If, nevertheless, oral agreements are made, the Parties undertake to commit these to the written form without any delay. If there are written agreements, it is a rebuttable presumption that they are complete and no amendment has been made. Any and all side agreements to our quotations, confirmations or agreements shall be subject to our written approval before they can become valid and incorporated in the contract.

2. Quotations and conclusion of the contract

2.1 Our quotations are subject to correct and timely deliveries to us by our suppliers. This shall apply only where non-delivery to our customer is not attributable to us, and in particular in the event that a congruent hedging transaction has been implemented with our supplier. The customer will be notified without delay of the unavailability of the service and any consideration already made will be immediately returned.

2.2 All the details in our catalogues and price lists are always subject to availability and without obligation. The documents and items associated with quotations, such as illustrations, descriptions, dimensions and weights, drawings, samples, other technical data and referenced DIN, EN, ISO and other internal or external standards are deemed to serve the purpose of identifying the goods subject of the contract, are non-binding and do not represent confirmation of any characteristics of the products unless explicitly so agreed.

2.3 A contract shall not come into force unless and until confirmed by us (confirmatory letter). Confirmation is generated by our computer system and does not require a signature to be fully effective.

2.4 We retain all intellectual property rights and copyright to all documentation and this documentation may not be made available to third parties. This applies in particular, but not exclusively, to quotations as well as drawings and other documents that seek to explain the products. These may not be used or passed on, in whole or in part, without prior written permission of the author, and under no circumstances to our competitors.

2.5 Where the customer is an entrepreneur as defined in Sec. 14 German Civil Code (BGB), modifications of the service rendered that are deemed reasonable to the ordering party within the bounds of accepted commercial practice are permitted.

2.6 The availability of publicised blade models as product samples is not warranted and is subject to availability. These items are subject to availability and prior sale.

3. Technical improvements

LUTZ constantly strives to improve its products in terms of quality and performance. As a result, all details given in brochures, price lists, on the Internet, during trade fairs etc. are intended to be examples. The mere presentation of products (invitation to treat) does not constitute a binding offer or guarantee of availability. LUTZ reserves the right to make changes to the

products prior to conclusion of the contract without informing the customer in advance. Bespoke developments that are intended only for a particular customer are excluded. It is not possible to guarantee availability of a particular model over a specific period of time.

4. Changes in circumstances

With respect to consumers as defined in Sec. 13 German Civil Code (BGB), the prices agreed shall apply to goods which are to be delivered within four months of conclusion of the contract. The final prices may differ from those quoted if, between conclusion of the contract and delivery, the factors on which our calculation was based change to an unforeseeable extent. We therefore reserve the right to pass on increases in prices for raw materials, auxiliary and operating materials and consumables, energy costs of any kind (fuel, gas, electricity), agreed wages and salaries and any tax increases. There will be no increase in our profit margin.

5. Right to cancel

We reserve the right to cancel the contract if its performance involves technical difficulties that are so severe that they are insurmountable even with increased care, effort & expenditure, or if overcoming the difficulties would require disproportionate effort & expenditure in comparison with the value of the items subject of the contract. Disproportionate is deemed to be an amount that exceeds the order value by more than 15%. The customer shall be notified without delay – preferably during conclusion of the contract – of any identifiable problems in its technical implementation and the contract shall then be concluded with a corresponding proviso. Where applicable, any payments already made by the customer shall be reimbursed to the extent that they relate to services not yet rendered.

We reserve the right to cancel the contract if a customer fails to make contractually agreed advance payments within the agreed time frame.

6. Delivery time

Delivery dates and lead times given in our confirmatory letter as approximate or not expressly confirmed as binding or firm are deemed to be approximate. The lead time shall begin, at the earliest, on the date of our confirmation of order, however not before all details of the design have been finalised and all other preconditions to be met by the ordering party have been fulfilled.

This shall apply in particular with reference to the necessary approval by the customer for first-time or repeated creation of customer-specific blade models and release of product drawings generated by LUTZ.

Delivery before expiry of the delivery period is permitted. The same shall apply to partial deliveries to entrepreneurs where these are felt to be reasonable to the ordering party, taking into consideration the interests of both Parties.

7. Tools & dies

All tools & dies required to meet the order and invoiced explicitly to the buyer or ordering party as a contribution towards tooling costs, shall remain the sole property of LUTZ. Tooling provided by the buyer or ordering party shall be maintained and stored with all due care and attention. The costs of maintenance caused by wear and tear shall be borne by us. Tools paid for by the buyer or ordering party shall be used exclusively for that customer.

8. Prices and terms & conditions of payment

Our prices are ex works Solingen. Unless explicitly agreed elsewhere, ancillary costs for packaging, freight, postage, insurance and other shipping costs shall be added to the price. The rate of value added tax (VAT) applicable at the time of invoicing shall apply.

Our invoices are payable within 30 days of the invoice date, net cash, unless otherwise explicitly agreed. If the customer is in default of payment, we reserve the right to charge interest on arrears in the amount of five percentage points above the current base rate in the case of consumers, and nine percentage points above the current base rate in the case of entrepreneurs.

Bills of exchange may be accepted as payment where specifically agreed. In this case, we will charge the costs, stamp duty and interest until the due date at the current bank rate. Credit notes, bills of exchange and cheques are deemed to apply subject to receipt and without prejudice to a possible earlier due date of the purchase price in the event of the customer being in default of payment. These are considered timely if received in full less any fees charged and placed fully at our disposal by the due date. We reserve the right to refuse delivery until the customer has fulfilled its obligations from previous transactions. Where circumstances become known to us after conclusion of the contract that might reasonably suggest, in the course of normal commercial practice, that the customer's creditworthiness might be impaired and collection of the amounts outstanding in jeopardy, we reserve the right to require appropriate collateral to be provided within a reasonable time period, or that the rendering of our services is made dependent on payment of the consideration. We reserve the right to require payment of a reasonable down-payment or provision of a bank guarantee before the order is executed.

If the buyer or ordering party fails to comply with this request or fails to comply in a timely manner, we reserve the right to withdraw from the contract or demand damages for non-performance. If we have agreed payment by instalments with the customer or have accepted a bill of exchange as payment on account, we reserve the right, in the event of circumstances as described above in which settlement is in jeopardy, to require payment in cash in full immediately and with interest. Following this, we reserve the right, where the customer is in default, either, at our discretion, to withdraw from the contract without further notice or require damages for non-performance. If the customer ceases to make payments or files for bankruptcy, the purchase price becomes payable immediately.

9. Shipping and transfer of risk

The following terms shall apply to entrepreneurs as defined in Sec. 14 German Civil Code (BGB): goods are shipped at our discretion and without warranty for the lowest freight charges and these will always be charged to the ordering party and at that party's risk, in particular where, in exceptional circumstances, shipping at no charge or delivery through our own vehicles or staff has been agreed. Shipment is only insured at the express request and at the expense of the customer. With respect to consumers as defined in Sec. 13 German Civil Code (BGB), the standard legal provisions shall apply.

10. Retention of title

Our deliveries shall remain our property until the payment of all of our claims against the contractual partner, irrespective of their legal grounds, that accrue to us now or at any time

in the future, even if the purchase price for specially designated demands has been paid. Where invoices are in the unpaid state, our retention of title shall serve as interim security. If the goods in which we have collateral are joined by the customer to form an integral part of a new object, this is done on our behalf and to our benefit but without any liability accruing to us and the ordering party does not attain property in the goods thus modified in accordance with Sec. 950 German Civil Code. The processed goods serve as our security, in the amount of the invoice value of the goods subject to retention of title. In the event of payment by cheque or bill of exchange, our retention of title shall remain in force until the cheque or bill of exchange has been honoured by the ordering party. If the goods delivered by us are integrated into other products not supplied by us we become part owners of the new object thus created where the proportion accruing to us is equivalent to the proportionate value of the goods delivered by us in the other integral components at the time of their manufacture. The product thus manufactured is subject to the same conditions as the goods themselves. In this respect, the new goods are deemed to be goods under retention of title within the context of these terms and conditions. The customer hereby assigns its claims to payment from retail or sale of the goods delivered, irrespective of whether the goods delivered by us were resold without an agreement or after the agreement and irrespective of whether the goods are sold to one buyer or several buyers. The assigned claim serves as security equal to the value of the goods sold which are subject to retention of title. If the goods delivered by us are sold together with other products not belonging to us, whether without or after processing, the assignment of claims in our favour shall only apply to the value of the goods delivered. The customer may sell our property only in the ordinary course of business and as long as the customer is not in default. The customer is only entitled and authorised to resell the goods delivered with the proviso that the customer's claims from the resale are assigned to us in accordance with the above provisions. The customer shall have no further right to dispose of the goods subject to retention of title. At our request, the customer shall notify its customer of the assignment for the purpose of payment to us. Where the value of the collateral in our favour exceeds the value of the claims secured by that collateral by more than 20% in total, the customer is entitled to demand a release from a corresponding amount of collateral at our discretion. The customer undertakes to notify us immediately of any seizure or other interference in our claims by third parties.

All goods delivered remain our property until they have been paid for in full.

11. Warranty and liability for defects

The buyer or ordering party is obliged to inspect the goods immediately upon receipt and notify us without delay of any defects (such as faults in the goods, lack of warranted characteristics or delivery shortfalls). In the case of hidden defects, notification must be immediately on detection. Entrepreneurs are required to communicate evident defects in writing within a period not exceeding one week of receipt of the goods either in print form (email or fax) or as a signed document. Timely dispatch is sufficient in order to meet the deadline. An entrepreneur bears the onus of proving all matters relating to the claim, in particular the defect itself, the time it was noticed and the timely communication of the complaint. Stricter legal requirements, in

particular those defined in Sec. 377 German Commercial Code (HGB), remain unaffected.

Otherwise the goods will be regarded as having been accepted. Where we confirm the goods as defective, we may, at our discretion, rework the defective product or supply a replacement. Where the customer is an entrepreneur, replacement delivery means the provision of the goods at the place of performance against return of the non-conforming goods, and without liability for any additional costs. If we allow a reasonable extension period to pass by without remedying the defect or providing replacement goods, the buyer or ordering party is entitled to reduce the purchase price or withdraw from the contract. If the customer is an entrepreneur, further warranty claims, in particular for damages, are excluded within the limits of Point 11 of these terms and conditions. If the buyer or ordering party is a consumer, statutory warranty rights shall apply, subject to the following provisions.

We shall not accept any liability for defects caused by errors in the documents or items submitted by the buyer or ordering party (drawings, samples etc.). We reserve the right to refuse to remedy defects as long as the customer does not fulfil its liabilities to pay. The customer's warranty claims shall be void if alterations to the goods manufactured by us are made without our consent or if damage occurs which is not caused by us, for example, through improper use or unqualified installation. Unless otherwise explicitly agreed, goods made of carbon steel will be supplied with an oil-based anti-corrosion protection and stainless steels or austenitic steels will be supplied without an oil film. Small quantities of residues of auxiliary materials and consumables cannot be ruled out and do not justify any complaint (see Point 13 "Definitions"). Treatment to ensure the best possible sterility of the goods must be communicated and agreed specifically. Corrosion resistance of the materials used can only be confirmed in accordance with Point 13 "Definitions" and only for the time of delivery. Lack of corrosion protection in accordance with the agreement, improper storage or damage to the goods by inappropriate packaging when returning the goods by the customer shall lead to an exclusion of liability by LUTZ.

12. Liability

Buying and ordering parties are not entitled to claim for damages. This excludes claims for damages by the ordering party or customer resulting from injury to life and limb or health generally and for the violation of substantial contractual obligations or liability for other material defects resulting from intentional or grossly negligent violations of obligations by the user, the officers of the company or its agents. Substantial contractual obligations are those whose fulfilment is necessary for achieving the objective of the contract.

In the event of a violation of substantial contractual obligations, our liability is limited to reasonably foreseeable average damages typical for such contracts taking into account the type of goods involved. This also applies to minor negligent breaches of duty on the part of our legal representatives or agents.

With regard to entrepreneurs, we accept no liability for minor negligence of insignificant contractual obligations.

The above limitation of liability does not affect the customer's rights arising from Product Liability.

Claims already existing at the time of the conclusion of the contract shall remain

unaffected.

13. Definitions

Stainless, rust-resistant or similar terms used to describe the factual circumstances – In normal usage, "stainless" is used to denote that a material is not likely to oxidise when it comes into contact with oxygen. Depending on the materials used, the tendency to oxidise may be reduced. Contractually agreed selection of materials and processes, such as painting, lacquering, surface polishing, passivation and similar processes may optimise the material's resistance to oxidation beyond the normal properties of the base material. It is not possible to guarantee total resistance to all forms of corrosion in a theoretical sense where there is no discolouration of the surface and this shall not amount to a defect within the context of the product characteristics.

Free of scratches or similar terms used to describe the factual circumstances – The texture of the surface is a function of the manufacturing process. Scratches as a description of flaws in the texture cannot be excluded and do not represent defects in terms of the product characteristics.

Free of dirt, clean, cleaned or similar terms used to describe the factual circumstances – Our products will exhibit residual traces of soiling resulting from the manufacturing process. It is possible to minimise these by means of a downstream cleaning process if incorporated in the contractual agreement. We have regular audits of our product cleaning processes by independent institutes. The resulting reports can be made available to our customers. It is not possible to guarantee total freedom from all soiling in a theoretical sense.

Sterility or similar terms used to describe the factual circumstances – Where germ-free processing of our products is contractually agreed, this is performed with state-of-the-art techniques in equipment suitable for that purpose. The equipment is maintained at a high level of currency. It is not possible to guarantee total sterility in a theoretical sense.

14. Court of jurisdiction & place of performance

Where the customer is an entrepreneur, legal entity under public law or special fund under public law, the sole Court of jurisdiction for both parties in the event of disputes arising in connection with this contract is Solingen. The same shall apply if the customer has no general Court of jurisdiction in Germany or the place of residence at the time the action is filed is unknown.

The place of performance for all claims arising from or in connection with this contract is also Solingen; contracts with consumers are subject to Sec. 269 German Civil Code (BGB).

15. Applicable law

The contractual relationship is subject exclusively to German law. UN commercial law (CISG) is deemed to be excluded.

16. Severability

If any clause in these terms & conditions or the subsequently concluded agreements should be or become invalid, the remainder of the contract shall remain unaffected. The parties undertake to replace the unenforceable provision with one which is enforceable and comes closest to the original commercial intentions of the parties.

17. Versions

The latest version of our General Terms & Conditions is always to be found with appropriate change notices and the publication date on our website at www.lutz-blades.com/agb.html.