

LUKAS-ERZETT General Terms of Business

I. Scope of application

1. The following conditions are final and an integral part of the contract. They apply to all (current and future) agreements, contracts and other services. All offers are exclusively based on our General Terms of Business which are deemed accepted upon order placement or acceptance of delivery. We shall not be bound to any conflicting or differing terms of business submitted to us by the buyer even if we do not expressly object to such other terms.
2. Oral ancillary agreements besides or in addition to these Terms of Business do not exist. Any ancillary agreements, differing terms or amendments to our General Terms of Business become applicable and binding only upon our written confirmation. This applies in particular to agreements regarding the quality and condition of our products.
3. These General Terms of Business only apply to companies, legal entities under public law or public special funds or assets ("Sondervermögen" pursuant to German law).

II. Offers and proposals

1. Our offers and proposals are subject to change and not binding. Any documents in connection therewith, such as drawings, illustrations, technical data, references to applicable standards, and any information given in brochures, shall not be deemed an agreement regarding the quality and condition of the product, unless expressly designated as such in writing.
2. Any samples as well as specifications regarding the composition, quality and condition of our products are based on our experience and our expertise, but do not constitute any guarantee or other binding commitment.
3. We reserve the right of ownership and copyright to all brochures, illustrations, drawings, sketches and any other documents. Any such materials may not be reproduced, copied from the Internet or made available to any third party without our prior permission, and must be returned to us immediately upon our request.

III. Contract Conclusion

1. An order is deemed accepted if it has been confirmed in writing or delivered.
2. Content and scope of the order are subject to order confirmation.
3. The buyer is liable for the correctness of any documents to be supplied by them, such as drawings, samples, etc. Oral agreements about dimensions, etc. are required to be in writing.

IV. Pricing

1. Our prices are quoted in euros ex works Engelskirchen (pursuant to Incoterms 2020), excluding packaging, freight, postage, customs duties and tariffs, and insurance. Surcharges and discounts are based on the basic price. The same applies to any partial or express shipments requested by the buyer.
2. For deliveries within the EU the minimum order value is 250 EUR. For deliveries outside the EU the minimum order value is 750 EUR. At orders below the minimum order value a handling surcharge of 50 EUR will be charged.

3. All prices are net prices and subject to the currently applicable VAT.
4. The prices given in the order confirmation apply to deliveries with a delivery period of up to four months. Deliveries with a delivery period of more than four months are subject to the prices applicable at the day of delivery in case the cost price, material, labour and other production costs have changed and the applicable prices are within reason for the buyer.

V. Terms of Payment

1. Payments are due within 14 days of the date of invoice less 2% discount or 30 days net. Payments are deemed to be made on time if they are received in our accounts no later than on the due date.
2. In the event of default, interest at the legal rate of currently 9% above the base rate of the European Central Bank (as of 2019) will be added. We retain the right to claim higher damages for default if applicable.
3. First deliveries are always required to be paid upfront or by cash on delivery.
4. If doubts arise regarding the solvency of the buyer, e.g. due to an application for the opening of insolvency proceedings, imminent suspension of payments or a significant deterioration of the financial status of the buyer, we are entitled to withhold further deliveries. In this case, we may declare the remaining debt due immediately, and set the customer a reasonable period for a delivery-against-payment transaction or the provision of collateral, even in the case of payment by check. After the fruitless expiry of such deadline, we are entitled to cease further fulfilment of our contractual obligations. In the event of an application for insolvency proceedings, we are entitled to immediately terminate the contract. This does not release the buyer from his or her duties and obligations arising in connection with those parts of the contract already fulfilled by us or in connection with earlier or not yet fulfilled contracts.
5. We retain the right to assign any accounts receivable to a third party.
6. The buyer is only entitled to a setoff if his counterclaims are res judicata, uncontested or accepted by us. Furthermore, the buyer is only entitled to a right of retention if his counterclaim is due and based on the same contractual relationship.

VI. Reservation of title

1. The delivered goods remain our property ("goods subject to retention of title") until full payment of all claims (current and future) has been made, including all ancillary claims (e.g. financing costs, interest, etc.) arising from the business relationship between us and the buyer. Payment is deemed to be made upon receipt of the countervalue of the delivered goods.
2. The buyer is obliged to treat any goods that are subject to retention of title with due care. We are entitled to insure any goods that are subject to retention of title against theft, breakage, fire, water and other damages at the buyer's expense unless they can demonstrate that they have taken out such insurance themselves.
3. The buyer is entitled to process, combine, mix and/or resell the delivery items within the ordinary course of business. Any such processing or transformation of the delivery items by the buyer is always carried out for us as the manufacturer. If the delivery items are processed together with other items not our own, we become co-owners of the new item, whereby the value of such ownership is based on the ratio of the delivery item's initial value to that of the other processed items at the time of processing. Furthermore, any stipulations applicable to the goods subject to retention of title also apply to the processed goods.

4. In the event that the buyer sells any delivery item prior to payment of all our accounts receivable secured by such delivery items, the buyer assigns to us, at the time of conclusion of the delivery contract, the associated receivables against any such purchaser or other third party in connection with the resale, as collateral for our accounts receivable. We accept any such assignment. We authorise the buyer, until further notice, to collect the assigned accounts receivable. We are entitled to revoke this authorisation if our secured accounts receivable are in jeopardy, including, but not limited to the buyer being in default with their payments. The authorisation to collect expires without further notice at the time at which the buyer stops their payments or files an application for the opening of insolvency proceedings. After the revocation or expiration of such authorisation, we are entitled and the buyer is obliged to notify the debtor of the assigned accounts receivable about such assignment. The buyer must refrain from any collection but keep incoming amounts in a separate account for us. At our request, the buyer must provide us in writing with the contact details of the buyer of the resold delivery items and hand over to us all information and documents regarding the assigned accounts receivable.

Upon request of the buyer, we undertake to release any collateral we are entitled to, insofar as the value of such collateral exceeds the secured accounts receivable by more than 20%. We reserve the right to select which collateral shall be released.

5. Extraordinary disposal of the collateral, including but not limited to possessory or non-possessory liens or assignment and security agreements, requires our prior consent. In the event of liens or other third-party claims, the buyer must inform us immediately in writing and submit to us any documents and information required for us to protect our rights. This also applies if such measures are imminent. The enforcement officer or the respective third party must be informed of our ownership. The buyer bears all costs in connection with the suspension of the seizure, lien or other type of execution and the replacement of the goods subject to retention of title, insofar as these costs cannot be collected from any third party.
6. If the buyer is in breach of contract, including but not limited to default, we are, after issuing a reminder, entitled to claim the return of the goods and the buyer is obliged to return them to us. If we terminate the contract as per section V.4 above due to an application for insolvency proceedings, we are entitled to claim the immediate return of any goods subject to retention of title.

VII. Delivery periods

1. Delivery periods may be agreed as binding or non-binding and are required to be in writing. They do not start before receipt of (i) all required documents from the buyer, (ii) all required releases and approvals, (iii) the agreed down payments and (iv) the fulfilment of all other obligations incumbent on the buyer.
2. The delivery date is considered to be met if, by that date, the delivery items have left our site or the buyer has been informed about the readiness for dispatch of the goods. In the case of unforeseeable events which we were unable to avert despite reasonable care, the delivery period can be reasonably extended – even within the scope of a default – irrespective of whether these circumstances occurred at our site or at our sub-suppliers' site(s), rendering them unable to supply us on time, including but not limited to operational disruptions, consequences of industrial or job actions, or similar.
3. The delivery period shall be extended in particular if our non-compliance with the delivery date is due to a late or defective delivery by our suppliers to us, which presupposes that we had concluded a so-called congruent or matching supply arrangement in good time ("kongruentes Deckungsgeschäft" as per German law) with our supplier at the time of contract conclusion with the buyer. We will prove to the buyer that we had concluded any such contract with our supplier upon request.

4. If the delivery or service becomes impossible due to the events mentioned in sections 2 and 3, or if the delivery or service is delayed by more than six weeks, both the buyer and we are entitled to terminate the contract without either being subject to any claims for damages.
5. To a reasonable extent, we are entitled to make partial deliveries.

VIII. Scope and execution of delivery; transfer of risk

1. The scope of delivery is subject to our delivery note. The minimum order quantity is one packaging unit.
2. Inconsistencies in quantity must be communicated within eight days upon receipt of goods.
3. Items on stock as listed in our catalogue are available in the specified packaging units and will be delivered and invoiced accordingly. We reserve the right to change the packaging units from time to time.
4. Due to manufacturing conditions, changes of up to +/- 15% of the ordered quantity are permissible for products not held in stock.
5. We reserve the right to technical modifications of our products resulting from continuous research and development.
6. Risk passes over to the buyer when the goods are handed over to the carrier or forwarding agent, but not later than at the time of departure from our warehouse or, in the case of drop-shipping, at the time of departure from the supplier's site. This also applies to any free-of-charge deliveries. Upon express request of the buyer, we will take out insurance against shipping damage at the buyer's expense.
7. In the case of call-off (aka blanket) orders, the goods are delivered upon call-off by the buyer. Call-off periods expire 12 months as of the date of order confirmation. We are entitled to manufacture the entire order quantity at once. Requests for changes to any order after order confirmation are not possible unless this has been expressly agreed upon beforehand. Any quantities that have not been called off by the buyer by the end of the call-off period will be shipped to the buyer and invoiced upon expiration date.

IX. Claims for defects

1. Claims for defects are only applicable if the buyer has fulfilled all obligations pursuant to the German Commercial Code to properly examine the goods and give notice of defects. If a delivery item is defective, we undertake, at our discretion, to either deliver a defect-free item (replacement) or rectify the defect. In the event of rectification, we bear all expenses incurring from such rectification provided that costs are not increased by the delivery item having been moved to a place other than the place of performance. If the rectification or the replacement ultimately fails or is considered to have failed, the buyer is entitled to either reduce the purchase price or rescind the contract, at their own discretion. As a rule, the seller is reasonably entitled to a minimum of two attempts to replace or rectify the defects.
2. Our liability for any replaced or rectified delivery items is equal to that for the originally delivered goods. In the event of a replacement delivery, the statute of limitations for claims for defects starts anew. The statute of limitations for claims for defects is 12 months as from the time of delivery of the goods to the buyer.
3. We do not assume any liability for damages caused by the following: unsuitable or improper storage or use, faulty assembly, implementation or commissioning by the buyer or third parties, natural wear and tear, faulty or negligent handling, unsuitable operating materials, and chemical, electrochemical or electrical influences,

unless they are our fault. We are not liable for any consequential damages if such damages are caused by improper modifications or maintenance work by the buyer or any third party without our prior approval.

X. Liability

1. We are fully liable for damages caused by our and our vicarious agents' (as per §278 German Civil Code) willful misconduct or gross negligence. We are furthermore liable (i) for any breach of warranty, (ii) when accepting a procurement risk or any other binding assurances, (iii) in the event of culpable personal injury to life, body or health or (iv) within the scope of the German Product Liability Act. In the event of culpable breach of material contractual duties, i.e. of any such obligation that renders the proper execution of the contract possible in the first place and the fulfilment of which the buyer can or does therefore reasonably expect, we accept liability in so far as the prerequisites for any such claim are fulfilled. The amount of liability is limited to the reasonably foreseeable damages typical for the relevant contract. We expressly exclude any further liability.
2. Insofar as our liability is excluded or limited, such exclusion or limitation also applies to the personal liability of our staff, employee representatives and vicarious agents.
3. These provisions are not intended to reverse the burden of proof.

XI. Return and/or replacement

The buyer is entitled to return and/or have the goods replaced without stating any reason within four weeks after delivery quoting our consignment number. Goods are to be returned free of charge for us. The right to return or have the goods replaced does not affect any claims for defects pursuant to section IX above.

Processing costs will be charged at EUR 25.00. Custom-made articles are excluded from this right and may not be returned or replaced.

XII. Data privacy

1. Both the buyer and we undertake to comply with the applicable data protection laws and regulations, including but not limited to the GDPR and the Federal Data Protection Act of Germany.
2. Further information on how we process data is available in our Privacy Policy [at https://www.lukas-erzett.com/en/footer-navigation/privacy-note-gdpr.html](https://www.lukas-erzett.com/en/footer-navigation/privacy-note-gdpr.html) / as attached]. To the extent required by the applicable data protection laws, the buyer will make such data privacy statement available to the respective employees, service providers or any other involved third parties.

XII. Place of performance, forum, applicable law and partial unenforceability

1. Place of performance for all obligations under any contract is Engelskirchen, Germany.
2. The exclusive forum for any litigation with buyers who are registered merchants (as per German law), a legal entity under public law or so-called public special funds or assets ("öffentlich-rechtliches Sondervermögen" as per German law) is the court competent for our headquarters. We reserve the right, however, to file any action at the buyer's headquarters.

3. International deliveries are governed by German law. Regulations for the international sale or purchase of goods such as the CISG do not apply.
4. If individual provision of these Terms or any delivery contract are or become invalid, the remaining provisions will continue to apply. If one of the provisions is or becomes partially invalid, the remaining part of such provision will continue to apply.