1. Terms and Conditions of Contract, Applicable Law

a. The following Coating Terms and Conditions (CTC) apply to all of our present and future business relations with any persons and entities, which also apply for and by means of another agreement to the Coating Services.

b. If not agreed otherwise, the applicable CTCs take the form of the outline agreement, valid at the time of the Customer’s purchase order or, at the latest, in the wording communicated in writing to the Customer, also with respect to modification of the CTCs, the custom of trade, and every such case.

c. All and any deviations, conflicting, or supplementary terms and conditions do not form part of the contract, even when they have come to our notice, unless we have consented explicitly to their applicability in writing.

2. Conclusion of contract

a. Our offers are non-binding and subject to change. A contract does not come into force until we have confirmed the order in writing or the work has been performed.

b. On submitting a purchase order or awarding a job, the Customer submits its binding declaration that it intends to have the work performed (coating, finishing, processing). If not specified otherwise in the purchase order / job award, we are entitled to accept the contract offer set down in the purchase order / job award and to fulfill the order. We may set a deadline for acceptance by you. This acceptance may take the form of writing, e.g. as a job confirmation, or the performed work.

c. The sole authoritative document for the legal relationships between the Customer and us is the contract concluded with us, i.e. the outline agreement or the amendment thereto. No statement issued by the Customer, nor any oral agreements are replaced by the written contract, unless their content explicitly contradicts the CTCs. Our oral pledges prior to contract conclusion are non-binding under any circumstances.

d. Supplements and amendments to the reached agreements, including these CTCs, must be submitted in writing for their applicability. With the exception of the managing director, our employees are not authorized to make any oral promises or agreements.

3. Price, Payment, Security

a. If not agreed otherwise from case to case, all prices are in euros ex works, excluding the statutory value added tax. Orders in units of less than one gross ton (Gt) will be charged in full, fees, taxes, etc., on the same terms and conditions as a job confirmation, or the performed work.

b. In the case of a submitted non-binding cost estimate, we inform the Customer immediately when we discover that our further processing cannot be performed without a considerable cost increase to the estimate. A considerable addition makes up at least 15% of the cost estimate.

c. Our contractual performance is subject to the proviso that there are no obstacles standing in the way of performance based on national or international foreign trade provisions, embargoes and/or other sanctions.

d. Unless agreed otherwise, the purchase price shall be payable 14 days after the invoice date. We are entitled to send a reminder to the Customer. This, however, must be deemed to have been received by the Customer at the latest in accordance with the due date of the electronic invoice as they actually follow this procedure, meaning that they actually approve. If the due date is not specified on the invoice, the due date of payment is deemed to be decided when it comes to determining adherence to all deadlines.

e. We are entitled to determine which receivables incoming payments shall be offset against.

f. From the due date onwards, we are entitled to charge default interest at a rate that is 5% above the base interest rate of the Deutsche Bundesbank (in the case of banking institutions). Any offsetting and retention rights of the Customer shall be suspended in line with the recently issued federal law.

4. Risk, Delivery, Commercial Claims, Public Standards

a. The risk of accidental loss and random deterioration of the workpieces is borne by the Customer, and this upon our delivery or at the time of our delivery or at the time of our commitment to dispatch. The Customer must bear the costs and risks incurred thereby. We must be informed immediately, if possible beforehand, of such measures.

b. The Customer shall not be entitled to reject partial deliveries.

c. The Customer is bound by all commercial claims, and applies to all commercial clauses.

d. The costs for transporting the workpieces to the destination are borne by the Customer, if not agreed otherwise from case to case.

e. The Customer is obliged, in cases involving the intra-Country supply of goods and self-collection being the party’s own HG (or a forwarding agent commissioned by it), to provide us with a confirmation of arrival with the following details: designation of the parts, description of the defects, piece number, delivery date, delivery period, delivery address, mode of payment.

f. During the processing times at our production facilities there is no special insurance coverage. Solely the Customer is responsible for obtaining any insurance coverage for the workpieces, e.g. against fire, flood, and storm damage.

5. Property, pledge, and retention rights

a. The Customer shall bear the costs and risks of delivery; and the transport mode required for returns.

b. If you do not consent to these terms of delivery, we shall limit our liability in connection with delays to the damage that is typically foreseeable.

c. If the delivery is delayed due to force majeure, then an appropriate extension of the delivery period may be granted, and the Customer shall apply our notice of the delay in time. Whether the reason for the delay arises before the order date or after, unless the delay has to be determined at a time at which the contractual partner is in question is in default. The term “force majeure” shall particularly mean any interruption of operating difficulties, industrial disputes and other circumstances that make delivery by us considerably more difficult.

6. Handover and condition of workpieces, incoming goods

a. All workpieces handed over to us for coating/processing/finishing must be provided with an order or delivery note bearing the following details: designation of the parts, piece number, value, net weight, particularities pertaining to transport and mode, material grade (standardized designation) and explicit instruction when parts are unsuitable for heat treatment at 300 °C.

b. If items are delivered by a forwarding agent, a forwarding invoice must contain in addition the following details: unit price and total price, number of packaging units; gross and net weight, the goods’ country of origin; the transport mode for delivery, and the transport mode required for returns.

7. Property, pledge, and retention rights

a. If not agreed otherwise from case to case, all prices are in euros ex works, excluding the statutory value added tax. Orders in units of less than one gross ton (Gt) will be charged in full, fees, taxes, etc., on the same terms and conditions as a job confirmation, or the performed work.

b. In the case of a submitted non-binding cost estimate, we inform the Customer immediately when we discover that our further processing cannot be performed without a considerable cost increase to the estimate. A considerable addition makes up at least 15% of the cost estimate.

c. Our contractual performance is subject to the proviso that there are no obstacles standing in the way of performance based on national or international foreign trade provisions, embargoes and/or other sanctions.

d. Unless agreed otherwise, the purchase price shall be payable 14 days after the invoice date. We are entitled to send a reminder to the Customer. This, however, must be deemed to have been received by the Customer at the latest in accordance with the due date of the electronic invoice as they actually follow this procedure, meaning that they actually approve. If the due date is not specified on the invoice, the due date of payment is deemed to be decided when it comes to determining adherence to all deadlines.

e. We are entitled to determine which receivables incoming payments shall be offset against.

f. From the due date onwards, we are entitled to charge default interest at a rate that is 5% above the base interest rate of the Deutsche Bundesbank (in the case of banking institutions). Any offsetting and retention rights of the Customer shall be suspended in line with the recently issued federal law.

8. Acceptance of the processed workpieces

a. The Customer must examine the workpieces directly on delivery and report any complaints immediately with respect to scope of delivery, condition, or quality. Workpieces we have coated, but not finished are deemed accepted without reservation when the Customer and/or its sub-contractor have used these in their production facilities.

b. On the grounds of our accounts receivable arising from the contract, we may exercise a right of pledge on the Customer’s workpieces and other assets in our possession by contract. Our statutory rights of pledge and retention remain unaffected.

c. We may also exercise our right of pledge on the grounds of accounts receivable from the earlier performance of work, replacement parts, deliveries, and other services, provided that they are related to the subject matter of the contract.

d. The Customer may also exercise an offsetting right from the business relationship when these claims are uncontested or recognized by declaratory judgment.

9. Condition of the components, warranty

a. For finishing, processing, and coating results, we warrant that the performance characteristics agreed in the contract will be fulfilled and correspond to the customer specifications. In this context, the Customer is entitled to inspect the workpieces. The Customer is entitled to furnish verification that we have not suffered any damage at all, or damage far less than the above all inclusive sum.

b. In the event of default on acceptance, acceptance is deemed granted at the latest two weeks after receipt of the Customer’s notice of completion.

(To be continued...)
**Coating Terms and Conditions**

10. Technical Advice, Guarantee

a. The technical advice we offer to the best of our knowledge is not binding and does not exempt the Custo-
mur from substantiating each and every delivery before further processing or use to a test of suitability for its
intended use.

b. Our technical, physical, and chemical specifications and our details on scope of delivery, measurements,
weights, engineering/materials, appearance, and performance are approximate only when the usability for the
contracted purpose does not imply recognizability an exact agreement or specific details have not been agreed
in the form of a performance specifications contract. They do not constitute condition or durability warranties,
but a description or label of the delivery or service. In order to be legally valid, guarantees must be issued
explicitly and in writing (if, at the time of the transfer of title, the goods do not have one of the characteristics
guaranteed in this manner, then the rights of the party placing the order shall be based solely on the statutory
provisions). Furthermore we bear no liability for the following cases, if not agreed explicitly otherwise, in-
cluding as technical improvements as well as the replacement of components with equivalent parts, except
when these prove detrimental to the usability of the goods for a contracted purpose.

11. General Limitation of Liability

a. If not specified otherwise herein, including the following terms, we are liable for violations to contractual
and extracontractual obligations under the applicable legal regulations.

b. We accept no liability for the suitability of coating/finishing/processing ordered by the Contractor for the
purpose intended by the Contractor. Irrespective of the type of use borne solely by the Customer. Specifically, the
Customer bears the risk involved in the use of coated workpieces in the safety relevant areas of machinery, equipment,
installations, and vehicles of all kinds. The Customer alone is responsible for adherence to the laws governing
the approval of coated workpieces for use in vehicles of all kinds, equipment, installations, and machinery. The
Customer is responsible for securing and receiving operating permits for vehicle, equipment, or machine parts
coupled by us. We do not provide any compensation for damages caused by the use of coated workpieces in
machinery, equipment, installations, and vehicles of any kind. We accept no liability for any damage caused
to coatings by chemical, thermal, and mechanical effects, including friction damage from bearings and seals.
Also, we accept no liability for damage caused by the processing or other use of the delivered workpieces.

c. In all other cases involving liability for damages due to a negligent breach of duty, irrespective of the legal
grounds, our liability shall be limited to the damage that is foreseeable for us and is in typical given the nature
of the contract.

d. Alternatively, we shall exclude our liability for damages, the liability of our legal representatives or vicarous
agents, insofar as we are responsible for an ordinary negligent breach of a contractual obligation which does
not, based on its nature and consequences, jeopardise the purpose of the contract, except in cases involving
default to life, limb or health.

e. The above mentioned provisions shall not apply to claims under the German Product Liability Act (Produkt-
haftungsgesetz).

f. If claims for damages are asserted against us under section 823 of the German Civil Code (BGB) based on
product’s liability (Produkthaftung), then we shall limit our liability, over and above the provisions set out
above, to the indemnity to be paid by our liable insurer. The limit of indemnity has been taken in at
an amount that is the typical amount for damage, contract and materials, and when the insurer does not
provide indemnity at all or in full, our liability shall remain unaffected, limited to the amount of the sum insured.
If the insurer’s indemnity has not been taken in at an amount that is the typical amount for the damage,
contract and materials, then we shall limit our liability in such cases to the typical amount for the
damage, contract and materials.

g. The Customer is obliged, as soon as a defect is identified, to endeavour to ensure that any further damage is
prevented at all costs. When a defect is reported, the Customer must specify the amount of the damage that it
expects to incur. The party placing the order shall inform us in writing as soon as any circumstances arise that
could impact the amount of the damage. If the party placing the order fails to provide us with this notification,
the Customer shall be obliged to reimburse any financial loss that exceeds this amount.

h. The Customer may only withdraw or terminate when we are responsible for violating an obligation not
consisting in a deficiency. The Customer has no right to terminate (in particular as set down under § 651, 649
BGB). In other cases, the legal prerequisites and consequences apply.

i. The limitation under i) also applies to the Customer’s contractual and extracontractual compensation claims
for damage that can be put down to a defect in the goods. They do not apply in this case when the application
of the regular legal limitation period (§ 195, 199 BGB) would lead to a shorter limitation in individual cases.

12. Incapable

13. Third-Party Proprietary Rights, Rights to Tools, Confidentiality

a. If deliveries based on drawings or other information provided by the Customer breach third-party propri-
etary rights, then the Customer shall indemnify us against all claims.

b. The full partial remuneration for tool costs shall not result in the Customer acquiring any rights to the tools
themselves.

c. All information set out in our documents, e.g. drawings, samples, calculations, must not be made available to
third parties unless the case in question relates to use in accordance with the intended purpose or we have
issued our explicit written consent in advance.

14. Place Of Performance, Place Of Jurisdiction

a. The place of performance for the delivery shall be the place where our relevant factory from which the delivery
is made is located. The place of performance for payment shall be our registered office.

b. If the Customer is a merchant who has been entered in the German commercial register (Handelskammer),
then the place of jurisdiction shall be Ulm.