

COATEC Gesellschaft für Oberflächenveredelung mbH
with regard to the performance of services provided by Coatec
(Allgemeine Leistungsbedingungen - Lohnveredelung)

1. General

- (1) Our general terms and conditions mentioned below are of exclusive validity. We do not acknowledge any adverse or supplementary customer terms and conditions or customer terms and conditions deviating from our own terms and conditions; such terms and conditions will in no case become part of the contract, even if, with due knowledge of them, we render services without reservation.
- (2) With the exception of the general terms and conditions listed below, the statutory provisions of the German law shall apply exclusively.
- (3) Irrespective of the above standing provisions, these general terms and conditions below shall be only if our customer acts in execution of his commercial or self-employed occupation (i.e. is an „entrepreneur“ according to § 14 of the German Civil Code).

2. Quotation and Quotation Documents, Estimates of Costs

- (1) Our quotations remain subject to alternations, unless the quotation states otherwise. We are bound to quotations referred to as binding only for a period of two weeks after the quotation has been received by the addressee. Technical alterations are reserved to a degree that is still acceptable by the customer.
- (2) Applications by act of the customer (“orders”) can be accepted within two weeks on receipt either by sending a confirmation of order or by executing the order. Changes or supplements of order confirmations issued by us are effective, only if these have been confirmed by us in writing.
- (3) We reserve property title and the copyright for any figures, drawings, calculations and other documents; they are not to be made accessible to third parties. This especially applies to documents we have marked as confidential.

3. Prices and Terms of Payment, Advance Payments, Contractual Exclusion of Set-Off

- (1) Our prices are “ex works”, the cost of packing and transport to and from our location are included only if explicitly agreed upon. We are entitled to separately charge the costs of packing and transport as well as the costs of a transport insurance, should we deem it necessary. Shipment agreed upon is effected according to our discretion using packing customary in trade or using packing provided by the customer.
- (2) We reserve the right to increase our prices reasonably, if after conclusion of the contract, increases in costs occur due to pay settlements or increases in materials prices. These will be proven to the customer, if required. If such an increase in price exceeds five per cent of the original price, the customer has the right to repudiate the contract.
- (3) Our prices quoted are net prices. To these, the legal value added tax (VAT) calculated on the basis of the VAT rate applying on the day of billing will be added. Any cash discount deduction requires our prior written approval.
- (4) Our claims are payable immediately. Even without any reminder, the customer is in delay in payment, if he does not pay his debts within fourteen days after the due date and after receipt of our invoice. Notwithstanding the aforementioned we are entitled to establish that our customer will come in delay of payment by sending him a first reminder.
- (5) We are entitled to demand advance payments on the remuneration payable to us. These are payable on the basis of an invoice on account provided by us, to the amount of the service proved by us plus applicable VAT. We point out that, due to working and processing customer goods, we obtain a statutory lien on the customers goods delivered to us (paragraph 647 of the German Civil Code). This will be exercised, if invoices on accounts are not paid in due time or are not paid to the full amount.
- (6) Checks or bills of exchange are accepted only as conditional payment. Collecting charges are on customer’s account.
- (7) The customer can set off against our claims only with counterclaims which are legally binding or ripe for judgment or which are undisputed or acknowledged. The customer is authorized for execution of the right of retention or of the right to withhold performance, only under the conditions stated above and, if this is based on the same contractual relationship.

4. Performance Periods and Times of Performance

- (1) For the execution of a service incumbent on us, we dispose of an appropriate performance period.
- (2) The beginning of a performance period incumbent on us requires that (i) the customer’s moveable objects to be worked be delivered in a condition that allows immediate delivery of service, (ii) all technical problems have been solved and (iii) all of the customer’s duties to cooperate have been fulfilled - especially the testing of a sample of our service delivered to the customer. If a time of performance has been agreed upon, this is delayed by the period of time during which the performance could not be rendered due to the customer’s failure to cooperate.
- (3) We are liable for adherence to times of performance incumbent on us only on proof of fault and only if we obtained supplies from our deliverers on time and conforming to our contracts, provided that we agreed upon sufficient covering transactions with them and that we can prove this to the customer.
- (4) The customer has the right to repudiate a contract concluded with us for non-compliance with a time or date of performance, only if the original term for rendering the service has been extended appropriately, and if we can be held responsible for exceeding the time or date of performance. Legal rights of withdrawal are unaffected by the regulation above, if these are due to a serious and final refusal to fulfill the obligation for which we can be held responsible. The same applies, if a transaction at a fixed date had

been agreed upon in writing, and if the customer has linked the continued existence of his performance interest to meeting the fixed date.

5. Bearing of the Risk - Acceptance

- (1) If our service consists of working and processing moveable objects (customers goods) of which we are not the owner, then the customer goods are to be delivered to our location at the customer's own risk in a condition that allows immediate delivery of service.
- (2) Unless stated otherwise, we owe service "ex works". Our duty to perform is fulfilled, if we provide the service rendered by us on customer's demand, ready for being picked up from our location in a condition ready for acceptance test.
- (3) We have the right of acceptance of the service rendered by us. In the case of only minor defects of our service, the customer is not entitled to refuse acceptance.
- (4) If we do not require formal acceptance, our work is considered as being accepted after expiry of 12 working days after the written information about completion. If the customer has started using our service or if the customer has further processed the customer goods processed by us, or connected to other moveable goods, or rearranged the goods processed by us (initial operation), acceptance is considered as being effected already after 6 days after initial operation. Paragraph 641a of the German Code for Civil Procedure remains unaffected.
- (5) With acceptance the risk is transferred to the customer, unless he already bears it for other reasons.

6. Quality Descriptions – No Warranties

Details in leaflets, product descriptions or information material referring to certain qualities of our products do not constitute any basis for warranties.

7. Quality Owed – Check of Customer Goods

- (1) The quality of service owed by our company is determined exclusively through the contract agreed with the customer.
- (2) Habitual nesses do not constitute any basis of quality owed, not even if the purpose of the customer goods to be processed by us is made known to us, unless the customer specifies the qualities of our services needed by him.
- (3) If we did not agree with the customer on any specific quality, we are entitled to first produce a service sample and to request the customer to test within 7 working days after delivery of the sample (test period), whether the sample is conforming to the contract. If the customer does not object to the qualities of the sample within the test period, then the qualities of the sample are considered as being agreed upon.
- (4) The time of the test period prolongs a performance period incumbent on us.
- (5) Customer goods delivered to us for being worked or processed will undergo visual testing by us before we render the service agreed upon in the contract. We are only obliged to a more detailed testing of the customer goods, if explicitly agreed upon in writing.
- (6) The customer guarantees and checks that the goods delivered to us for being worked or processed correspond to the contractual agreements and do not negatively deviate from the quality of a sample provided to us.

8. Customer Claims Arising from Defects

- (1) If a defect in our service can be ascribed to the service specification or to other technical requirements of the customer or if it is due to the quality of the customer goods to be processed by us, then we are exempt from liability for defects.
- (2) We are also exempt from liability for defects, if the customer insists on a service being rendered despite doubts declared by us.
- (3) Apparent performance defects on acceptance have to be notified to us immediately, and not later than within six working days. Other apparent defects have to be reported to us immediately after the defect has occurred. If the customer does not meet his obligations in sentence 1, any claims against us arising from a defect are excluded. The customer has to prove the point of time of identifying the defect.
- (4) If the customer notifies a defect in our service, he must grant us the opportunity for checking the defect. We are entitled to claim compensation for costs incurred due to any violation of the duty mentioned above. The regulation above does not hinder the customer from having the defect identified by a third party.
- (5) If we are unjustifiably denied the opportunity of subsequent service or, if it is disproportionately hampered, we are exempt from any further obligations arising from the defect. In this case, the right to withdraw from the contract and to reduce the remuneration are excluded. The same applies to any customer claims arising from the defect.
- (6) A period of time for subsequent service is adequate, only if it consists of at least 30 working days after the point of time when we have been conceded the opportunity for a subsequent correction for the first time. The period is prolonged, if we are hindered from rendering subsequent service owed by us by circumstances for which we cannot be held responsible. For important reason, the customer can demand that the subsequent service be delivered by us within a shorter period of time. We are entitled to demand the written statement of that important reason.
- (7) Subsequent service to be provided by us is considered a failure, only if we could not remove the defect despite two independent attempts to render subsequent service or if we could not remove it within an adequate period of time.

9. Damage to Customer Goods

- (1) We are liable for damage arising from our service at customer goods (consequential harm caused by a defect), only to the amount to which we are responsible.
- (2) We are exempt from liability for consequential harm caused by a defect, if the damage arises from the quality of the customer goods or from a technical requirement of the customer.
- (3) If in the case of a damage, we are able to prove that we have delivered our performance duties according to the contract, it is assumed that the consequential harm caused by a defect arises from a defect of the customer goods quality for which we cannot be held responsible.

10. Liability

- (1) For damages which are not based on any harm to the life, body or health of our customer (other damages), we are liable only to the amount of damage typically predictable for such a contract, if we are able to prove that our breach of duty occurred negligently.
- (2) From the limitation of liability according to paragraph 1, the following is excluded: customer claims according to the law of product liability and claims due to damages against which the customer was to be protected by a warranty given by our company. It also does not apply in cases where we are liable for concealing a defect with intent to deceive.
- (3) In cases where we are liable for other damages due to only negligently breaching an obligation, our liability is limited to the compensation of our product liability insurance. We are prepared to grant the customer insight into our policy, if required.
- (4) We are liable for accidental happenings, only if we have explicitly given warranty or taken the procurement risk through a written statement.
- (5) The limitation of liability as stated in paragraph 1 of this section also applies to the personal liability of our employees, representatives and other persons employed in performing obligations.
- (6) The customer can repudiate a contract due to a breach of duty, which does not consist of a defect of an object delivered or of a service rendered by us, only if we are to be held responsible for the breach.

11. Limitation of Claims Raised Against Us

The limitation period of claims raised against us which are not based on intentional conduct attributable to us, is one year. This period also applies to the limitation of claims due to defects. The limitation period correspondingly applies to excluding the right of repudiating a contract and of diminishing the purchase price. The limitation periods above do not apply, if we are liable for injuring a person's life, body or health.

12. Covenant Not to Assign

- (1) The customer is not entitled to assign his claims for providing services owed by our company.
- (2) Demands for payment directed against us are allowed to be assigned only with our consent.

13. Regulations of Termination

We are entitled to give notice of termination of the contract concluded with the customer, if important reasons apply. An important reason applies, if proceedings are taken over the assets of our customer for settling all his debts (insolvency proceedings), or if an application for instituting such proceedings is filed and if the customer is not in a position of proving the apparent unfoundedness of such an application within a reasonable period of time, although he has appropriately been requested to do so. An important reason in the sense of the regulations above also applies, if one of our direct competitors acquires a controlling interest in our customer.

14. Final Provisions

- (1) The place of performance for all the obligations to perform arising from the business connection is the town of Schlüchtern.
- (2) German courts have exclusive jurisdiction for deciding on any litigation.
- (3) Place of jurisdiction is the town of Hanau. We are entitled to also raise claims against our customer at any different competent court.
- (4) The law of the Federal Republic of Germany is of exclusive validity. The applicability of the UN convention on international sale of goods (CISG) is excluded.
- (5) We would like to point out that customer data is electronically stored and processed.

15. Data Protection

- (1) Coatec processes the contact data of the client and its contact persons automatically. If personal data are processed, such data are processed only in compliance with the provisions of the General Data Protection Regulation as well as all applicable regulations regarding data protection, especially the Federal Law for Data Protection.