

General Conditions of Sale of COATEC Gesellschaft für Oberflächenveredelung mbH

1. General Provisions

- (1) Our conditions of sale listed below are of exclusive validity. We neither acknowledge nor accept any adverse or supplementary customer condition or customer conditions deviating from our terms and conditions; they will not become part of the contract, even if, with due knowledge of them, we furnish deliveries without reservation.
- (2) With the exception of the General Conditions of Sale listed below, the legal regulations of the German Law apply exclusively.
- (3) Our General Conditions of Sale listed below are applicable, only if our customer is a business owner or an entrepreneur.

2. Quotation and Quotation Documents

- (1) Our quotations are subject to change, unless the quotation states otherwise. We are bound to quotations designated as binding only for a period of two weeks after the quotation has been received by the addressee. In any case technical alterations are reserved to a degree that is still acceptable by the customer.
- (2) Orders of the customer can be accepted within two weeks on receipt either by sending a confirmation of order or by executing the customer's order. Changes or supplements of order confirmations are effective, only if they have been confirmed by us in writing.
- (3) We reserve the right of ownership and the copyright for any figures, drawings, calculations and other documents; they are not to be disclosed to third parties. This especially applies to written documents we have marked as confidential.

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

- (1) Unless agreed upon otherwise, our prices are „ex works“, excluding the cost of packing and transport as well as the transport insurance. Shipment is effected according to our discretion using packing customary in trade.
- (2) We reserve the right to increase our prices reasonably, if after conclusion of the contract, an increase in our costs occurs due to pay salaries 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 contract price, the customer has the right to withdraw the contract.
- (3) Our prices quoted are net prices. To these, the value added tax (VAT) calculated on the basis of the VAT rate applying on the day of billing has to be added. Any alteration of the VAT rates does not entitle the customer to withdraw the contract.
- (4) Any deduction of cash discounts requires are only permitted if agreed upon in writing.
- (5) Our claims from the underlying contract are payable immediately. Even without any reminder, the customer is in delay of payment (see Section 286 of the German Civil Code), if he does not pay his debts within fourteen days after full delivery or performance.
- (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 by us. The customer is authorized for execution of the right of retention or of the right to withhold performance, only if this is based on the same contractual relationship.

4. Time of Delivery

- (1) The beginning of a time of delivery stated by us or agreed with the customer requires that all technical problems have been solved and that the customer's duty to cooperate agreed upon in the contract has been fulfilled. If a time of performance has been agreed upon, this is prolonged by the period of time during which the performance could not be rendered due to the customer's failure to cooperate.
- (2) We are liable for adherence to our obligations only on proof of fault and only if we ourselves obtained supplies from our deliverers on time and conforming to our contracts, provided that we agreed upon sufficient covering transactions with them.
- (3) The customer has the right to withdraw contract for non-compliance with a time or date of delivery, only if the original term has been extended appropriately, and if we can be held responsible for exceeding the time or date of delivery.

5. Bearing of the Risk

Unless stated otherwise, we owe performance „ex works“. If required by the customer, we will conclude a transport insurance for the delivery.

6. Quality Description – No Warranties

Quality descriptions of our products constitute the commitment to give warranty in the legal sense, only if we declare this explicitly and in writing.

7. Customer Claims Arising from Defects

- (1) Apparent defects on delivery have to be notified to us immediately, and not later than within five working days after delivery. Other apparent defects have to be reported to us immediately after the deficiency has been identified, otherwise any claims against us arising from the defect are excluded.
- (2) The customer has to proof the point of time of identifying the defect.
- (3) Goods delivered by our company are considered as being accepted as performance after five working days after delivery at the latest.
- (4) If the customer notifies a defect, the notified object has to be handed over to us 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 third parties.
- (5) If of several objects sold by our company, only some single objects are defective, the customer can assert his rights only with due regard for the defective objects. This also applies, if a total price has been agreed upon for the goods sold, or if the goods have been sold as belonging together, and if the defective object can be separated from the other objects without damaging these.
- (6) The type of subsequent performance chosen by the customer can be denied by us, if the costs exceed twenty per cent of the costs of a different type of subsequent performance, and if the customer can reasonably be expected to accept that different type of subsequent performance without any material detriment, considering the value of the object in perfect condition and the meaning of the defect.
- (7) If after delivery of our goods, the buyer transfers our goods to a place other than the place of delivery, or the place where the buyer had his business seat at the time of performance, we are not obliged to bear additional expenses for the subsequent performance arising from that.
- (8) A subsequent performance by way of delivering an object free of defects is subject to counter-performance consisting of redelivering the defective object and the profits drawn.
- (9) A subsequent performance to be provided by us is considered a failure, only if we could not remove the defects despite two attempts to perform subsequently or if we could not remove them within an adequate period of time. And, a failure to perform subsequently is to be assumed, only if the customer has granted us adequate opportunity for a subsequent correction or for replacement.
- (10) A reasonable period of time for a subsequent performance in the sense of the above paragraph consists of at least two weeks after the

8. Limitation of 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 withdraw a contract due to a breach of an obligation, which does not consist in a defect of an object delivered or in a performance rendered by us, only if we are responsible for the breach of the respective obligation according to Sec 276 of the German Civil Code.

9. Reservation of title

- (1) Delivered goods remain our property until full payment of our claims from the business relation has been received. The customer is not entitled to dispose of goods of which we still hold title. Goods and software programs of which we still hold title and which are in possession of the customer, have to be insured sufficiently against destruction and theft by the contracting party. Any claims from that insurance are assigned to us. We accept the assignment.
- (2) If goods of which we still hold title are inseparably connected to other objects, we acquire our proportional share in ownership of the new object, based on the value of the object of sale in proportion to the other objects at the time of the connection. If in such a connection the object of the customer has to be regarded as the main part, the customer will transfer the co-ownership to us in the right proportion.
- (3) In the case of distresses or other interferences of third parties with our property, the contracting party has to inform us immediately. If the third party is not in a position of refunding the judicial and extra judicial costs of a civil action according to section 771 ZPO (code of civil procedure), the contracting party is liable for our claims.
- (4) Even without repudiating a contract, we are entitled to claim restitution of goods subject to reservation, if the customer is in delay with his payments.

10. 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. The period of limitation correspondingly applies to the right of repudiating a contract and to the right of diminishing the purchase price. The regulation above do not apply, if we are liable for injuring a person's life, body or health. In such a case, the limitation period of claims raised against us is calculated as the law directs.

11. Covenant Not to Assign

- (1) The customer cannot assign his claims for providing performances.
- (2) Demands for payment directed against us are allowed to be assigned to others only with our written consent.

12. Regulations of Termination

We are entitled to give notice of termination of a contract concluded with a 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 able 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 or participation in our customer.

13. Final Provisions

- (1) If the contracting party is a fully qualified merchant, our business seat is place of jurisdiction and place of performance. Irrespective of the sentence above, we are entitled to also raise claims against our customer at a different competent court.
- (2) 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.
- (3) We would like to point out that customer data is electronically stored and processed.

14. 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.