

General Terms and Conditions for Processing and Delivery (GTC) of Müller Spot Plating GmbH

Exclusively for business transactions with other businesses in terms of § 310 (1) in conjunction with § 14 German Civil Code (BGB)



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§ 1 Scope

(1) Our General Terms and Conditions for Processing and Delivery (GTC) are the basis for concluding any of the following with us:

- Purchase and delivery contracts pursuant to §§ 433, 650 BGB ("Deliveries"), and
- Service contracts pursuant to §§ 611 et seq. BGB ("Services").

They apply exclusively. If no provisions are made for a certain matter, the provisions of the law shall apply. Conflicting or additional terms and conditions of the Customer are not accepted. Such shall only apply if we have accepted some or all of them expressly and in writing. Our terms and conditions shall also apply if the deliveries or services of us are made or provided without reservation despite being aware of conflicting or additional terms and conditions of the Customer.

(2) These terms and conditions shall also apply exclusively to all future transactions with the Customer.

(3) These terms and conditions apply only to businesses, legal persons under public law or separate assets under public law in terms of § 310 clause (1) BGB.

§ 2 Consulting, suitability, documentation

(1) Any verbal or written consulting services of us are based on our experience. Such consulting services are always dependent on the Customer providing complete information in good time. Outcomes of such consulting services are only binding if we expressly declare these to be binding and/or if these consulting services are provided in written form. In any case, the Customer remains obliged to conduct their own review of the consultation outcomes.

(2) Information in our prospectuses, catalogues and technical documentation on, for example, the suitability and use of our services, is non-binding unless explicitly confirmed as binding by us in an offer or order confirmation. Such information does not exempt the Customer from conducting own reviews and tests or from complying with legal and official regulations, in particular when using any goods processed by us.

(3) We reserve all proprietary rights and copyrights to images, drawings, calculations and all other (technical) documents provided by us. These documents or parts thereof may not be made available to third parties and may not be used for any purpose other than the one the Customer has received them for, unless written permission was granted. They shall be surrendered immediately upon request if we are not awarded the contract. The Customer has no right of retention in regard to these documents.

(4) We may disclose documents of the Customer to any such third parties that we hire as suppliers or service providers as permitted by law.

§ 3 Offers, concluding a contract

(1) Our offers are subject to confirmation unless specified otherwise in writing by us. If the order confirmation of the Customer lists terms and conditions that deviate from those of any offer that we made as a binding offer, such deviations shall only be binding if and when expressly confirmed in writing by us.

(2) We can confirm an order after it was received. Our order confirmation decides the scope of services. If we do not issue an order confirmation, an order is also confirmed by us starting the coating process and providing the services.

(3) In general, orders should be placed in writing; orders placed by phone and data submission by e-mail are carried out at the risk of the Customer.

(4) In their order confirmation, the Customer shall reference the corresponding offer and shall provide any and all information we need in regard to the goods that were submitted for processing, in particular goods supplied for coating services; such information shall include article name, quantities, dimensions, material, material number and/or material composition, any pre-treatment for and instructions regarding the surfaces that are to be treated or coated, specifications for treating and coating, heat treatment, standards and individual value of the goods. This also includes details on treatment processes and requirements for storing the goods.

(5) Changes to the information referred to in clause (4) must be communicated to us in good time.

(6) We are entitled to request from the Customer any supplementary information that is necessary to ensure proper treatment and coating of the goods. The Customer is obliged to provide any and all such information and to cooperate.

(7) Contracts are concluded subject to timely receipt of all and correct raw materials, packaging and any other components required for processing.

§ 4 Changing services

(1) Our services are final as listed in the offer or in our order confirmation. If we do not send an offer or order confirmation, the scope of services is defined by the services provided by us.

If the Customer fails to provide information or provides incorrect information, We reserve the right to change the scope of services accordingly. Any disadvantages resulting from the above, especially in regard to costs or damage, shall be borne by the Customer.

(2) We reserve the right to make the following changes to deliveries or services after the contract was concluded, if such are reasonable for the Customer:

- Changes to goods in line with continuous product development and improvement;
- Minor and insignificant deviations of colour, shape, design, dimensions, weight or quantity;
- Deviations customary in the sector; and
- Other necessary changes.

(3) We reserve the right to process the items or have the items processed at another facility without additional costs for the Customer, if:

- Such facility is suitable for the process in question;
- Processing cannot take place at the original facility due to unforeseen circumstances;
- This is necessary for other reasons that the Customer can be reasonably expected to accept.

(4) We shall endeavour to take into account any request for modification of the contracted deliveries and/or services the Customer makes after conclusion of the contract, insofar as this is possible and reasonable for us under consideration of our operational capacity. If reviewing the options for modification or the actual implementation of such modifications have an impact on the terms agreed for the services (remuneration, deadlines, etc.), the contract has to be amended in writing without delay. We may demand payment of appropriate additional remuneration based on the hourly rates of those employees who could not complete any other tasks due to the interruption caused by reviewing the change request and the negotiation of the contract amendment; such additional remuneration shall be payable for the entire duration of such interruption. We may also require appropriate remuneration for any necessary review of whether and under what conditions the desired change is feasible, provided that we inform the Customer of the need for such review and if the Customer issues a corresponding review request.

§ 5 Scrap and loss rates

(1) For technical reasons, a varying but unavoidable proportion of rejects or workpiece losses occurs during the processing of goods provided. For series production, the following scrap and loss rates shall be deemed agreed, within the scope of which there shall be no claim for damages against us.

a) The following applies to strip electroplating:

- For deliveries of strip materials with a material thickness of less than 1.0mm, the quota per system run is 15% from 301m, 5% from 501m and 2.5% from 1,001m. For deliveries up to a maximum of 300m, the quota depends on the product or process.

- For deliveries of strip materials with a material thickness of 1.0mm or more and/or for reflow treatments, the quota per system run is 30% from 151m and 6.5% from 1,001m. For deliveries up to a maximum of 150m, the quota depends on the product or process.

- In addition to the above-mentioned reject rates, 3m per coil/ring are added for joints and retention samples (standard: 1m of raw material, 2x 1m of finished material).

- An additional 3m of material is required for each interruption in the raw material.

- There is no claim for damages against us for rejects caused by a system standstill due to unmarked sections, damaged spools or damaged material provided.

- For special processes, such as spot gilding (macro-spot technology, micro-spot technology), a special regulation is required due to the special system technology and its complex setup. In these cases, the reject rate may deviate from the above specifications and will be communicated to the Customer in the quotation.

b) The following applies to single part electroplating:

- For individual parts for barrel goods/vibrobot, the quota for deliveries up to 500 parts is 10%, from 501 parts 5%, from 10,001 parts 2.5% and from 50,001 parts 1.5%.

- For rack goods, the rate is 10% up to 100 parts, 5% from 101 parts, 2.5% from 1,001 parts and 1.5% from 10,001 parts.

(2) Compensation is excluded for initial samples, as the reject rate depends on the product or process due to the increased setting effort.

(3) The reject rate may increase due to the geometry of the parts to be machined. The Customer will be informed of such increases in the quotation.

(4) To the extent that the actual scrap and loss rate exceeds the technically conditioned or separately agreed rates specified in clauses (1) to (3), we shall compensate the Customer for the excess portion within the scope of § 15 of these GTCs for the damaged parts in the amount of the manufacturing costs proven by

the Customer. Any claims against us due to increased scrap quantities shall only be settled on request on a quarterly item-specific and cumulative basis. A claim shall exist for a maximum of 12 months after completion of an order.

(5) If defective material is delivered, we shall not be liable and any additional costs incurred shall be reimbursed by the Customer. In the event of complete damage to the material caused by us, we shall be liable up to a maximum of the cost of surface finishing of the respective goods.

(6) The damages to be paid by us under this agreement shall be limited to the amount of the order value agreed between us and the Customer, but to a maximum of EUR 5.000,00. Any further claims of the Customer against us due to caused rejects or loss are excluded.

(7) We shall not compensate for rejects or losses caused by force majeure, such as a energy failure for which we are not responsible.

(8) Rejected goods will not be returned by us. In order to avoid further use of the rejected goods, we shall be entitled to scrap them at its own expense and to offset any proceeds therefrom against these costs.

(9) Within the scope of the incoming goods inspection by the Customer specified in § 14 clause (1) of these GTC, the Customer shall in particular check the drum goods and bulk material processed by us for bending.

(10) The quantity or weight documented in the delivery documents and on the batch labels may deviate from the actual quantity by +/- 1% due to the process. We shall not be liable for damages in the event of deviations within this tolerance.

§ 6 Delivery times and dates, storage fees

(1) Delivery times begin once the Customer has received the order confirmation, but not until all particulars of the order were agreed and any and all documents required from the Customer and permissions are received; the same applies to delivery dates. Delivery time expectations of the Customer shall only apply if accepted in writing. The same applies to time limits for order confirmation. If we accept changes the Customer has made to the order after the contract was concluded, any delivery date that may have been agreed is void and the delivery period shall start again.

(2) The delivery times specified by us are only approximations, unless the delivery date was expressly agreed. Any times specified for deliveries or services are only binding if expressly agreed as such.

(3) Compliance with delivery or service obligations, in particular delivery dates, depends on the following:

- Timely fulfilment of any co-operation obligations of the Customer in due form, in particular receipt of documents and information to be supplied by the Customer;
- Agreement on all technical details with the Customer;
- Receipt of agreed advance payments or any agreed letters of credit;
- Obtaining any official permits and licenses that may be required;
- Material being available in good time; and
- Timely delivery of the raw parts, unless we are responsible.

The *exceptio non adimpleti contractus* applies.

(4) If dispatch or delivery of goods is delayed by more than one month after they were declared ready for dispatch on request of the Customer or if goods are delivered too early by the Customer, we may charge storage fees of 0.5% of the service price for each commenced month, but no more than a total of 5% of the service price. The parties may provide proof that higher or lower storage fees were incurred. In this case, we are also authorised to choose another suitable storage location and to have the goods in question, always at the expense and risk of the Customer.

§ 7 Default

(1) We shall not be responsible for delayed delivery or performance caused by the following delivery and performance issues, unless we accepted a procurement risk or issued a guarantee, in particular with respect to compliance with time limits or deadlines; this shall also apply if any of these issues arise for suppliers or their sub-suppliers: Force majeure as well as delivery and performance issues arising only after the contract was concluded or which we only become aware of after the contract was concluded due to no fault of us, and for which we can prove that no reasonable and due diligence on the part of we would have allowed for foreseeing or preventing these circumstances, and provided that we have no other obligation to accept responsibility or to prevent or address the circumstances. The above - either such event occurring or becoming known without fault only after the contract was concluded, we having proven unpredictability and unavoidability - include the following in particular: Legitimate industrial action (strikes and lockouts); disruption of operations, scarcity of raw materials, failure of machinery and auxiliary materials. The Customer cannot assert damage claims for delayed deliveries and services in any of the above events. In the event of a permanent delivery and service issue in terms of clause (1), each party to the contract has the right to cancel the contract immediately in line with legal provisions. In the event of a temporary delivery and service issue in terms of clause (1), We shall have the right to postpone deliveries and services for as long as the reason for the delay remains in effect plus an additional reasonable start-up time. If we can prove that the Customer is impeding deliveries and services in an unreasonable manner, we can withdraw from the contract. The Customer may only withdraw from the contract as provided for in the provisions below.

(2) Delayed deliveries or services we are responsible for: Unless a more far-reaching liability (especially no-fault liability) or less far-reaching liability was agreed or can be inferred from the contractual provisions, we will be liable for any damage caused by delay due to intentional or grossly negligent breach of duty as

follows: 2.1. In the event of intent in line with legal provisions. 2.2. As set out by law, subject to a limitation of liability for damages to the foreseeable damage typical for this type of contract: - in the event of gross negligence on the part of our legal representatives, managers and other vicarious agents; - in the event of minor negligence on the part of our legal representatives, managers and other vicarious agents if they violate major contractual obligations; this especially the case if the underlying contract is a "drop dead date" contract or if the Customer can prove that the Customer no longer has an interest in contract fulfilment as a result of our delaying the delivery or services. 2.3. In all other events of minor negligence in connection with a delay of delivery or service, we shall be liable to pay 0.5% of the delivery or service value per complete week, but no more than 5% of the delivery or service value, as lump-sum compensation. Further legal claims and rights of the Customer remain in effect.

(3) Customer's right of withdrawal in the event of delayed delivery or service: If we can prove that we are not responsible for the delay, the Customer may only withdraw from the contract if the Customer has made their interest in the continuation of this contract dependent on services being provided on time (drop dead date contract) or if the Customer proves that the Customer no longer has an interest in contract fulfilment as a result the delayed delivery or service or that the Customer cannot reasonably be expected to continue the contract.

§ 8 Force majeure

Significant, unforeseeable disruptions of operations and any such not caused by us, delayed or failed delivery as well as interruption of operations as a result of fire, explosion, flooding, shortages of energy, supplies, raw materials or labour, strikes, accidents, disease, pandemics, lockouts, difficulties in obtaining means of transport, traffic disruptions, official orders of the authorities and cases of force majeure with an impact on us or our suppliers will extend the delivery times of us by the duration of the event that is preventing performance. This shall also apply if we were already in delay with providing the service when these circumstances occurred. We shall report the start and end of such interruptions to the Customer within no more than a week.

If the delivery or performance is delayed by more than six weeks, both parties shall be entitled to withdraw from the contract for the delayed services.

§ 9 Prices and payment, invoicing

(1) In its offers and order confirmations, we indicate prices for its full services either in only money or in money and precious metals. If a price for the full services is given in money and precious metals, the main components of this price will be the processing costs, precious metal refining and loss of precious metal for process-related reasons. Precious metal and processing costs make up the price for the full service.

For metal tape, the price for the full service (processing costs and precious metal) is generally calculated based on the weight of the coated material.

(2) Unless agreed otherwise, our prices are "Ex Works" ([EXW]) plus VAT, customs duty, freight, packaging and transport insurance costs. We will only insure the goods if requested by the Customer.

(3) If costs fall or rise after the contract was concluded, in particular as a result of collective agreements, changes in material or energy prices, energy tariffs and production costs, we reserve the right to adjust prices accordingly.

(4) Additional expenses not listed in the order confirmation that occur as a result of adding services on request of the Customer will be invoiced separately. In particular, we reserve the right to change prices or charge for additional services if:

- Changes are made to the coating material or the process used for the goods because the information and documents supplied by the Customer were not in line with the actual conditions or were incomplete;

- Type and scope of the services as listed in the order confirmation was changed on request of the Customer. If the need for additional services (e.g. special pre-treatment, special packaging or special racks) becomes clear before processing or coating starts, we shall communicate the additional costs to the Customer before starting to process the goods.

(5) We are entitled to demand an adequate partial or advance payment when a contract is concluded. No interest will be paid on such advance payments. If payment for the service is deferred, if payment in instalments is agreed or if payment is delayed, the Customer will be charged interest at the standard rates, but no less than 2% per year above the respective base rate in terms of § 247 BGB plus VAT without a reminder to this effect having to be sent.

(6) We will issue invoices electronically. The Customer therefore has to communicate a binding and at all times accessible email address in advance. The Customer must confirm receipt of the invoice immediately. A read confirmation is sufficient. If no confirmation is sent, the date on which we sent the invoice shall be the date it was received by the Customer. Invoices are due immediately once received by the Customer and shall be paid within the time limits specified in the invoice.

Cash discounts and other discounts must be agreed separately. No discounts shall apply to new invoices if older invoices were not yet paid.

(7) We expressly reserve the right to accept bills of exchange or cheques. Bills of exchange and cheques will only be accepted as payment subject to prior agreement of us and will only be considered as payment once their amount was credited without reservations. Expenses and costs are charged to the Customer and must be paid immediately. Bills of exchange must be for a period of 90 days or less, starting on the invoice date.

(8) Waiving the provisions of §§ 366, 367 BGB and contrary to any terms and conditions of the Customer, it is for us to decide which outstanding payments will be covered by Customer's payments. In other words, the Customer waives their right to specify how the Customer's payments are to be used.

(9) If payment is delayed, we may charge interest on arrears at 9% p.a. above the respective base rate in accordance with § 247 BGB plus VAT and is entitled to withhold further services until all outstanding invoices have been settled. In the event of a delivery or service not complying with the contract, the Customer may only withhold payments in reasonable proportion to the degree of non-compliance (especially in the event of a defect) and expected costs of subsequent performance (especially removal of defect). The Customer is not entitled to assert claims and rights based on non-compliance with the contract if the Customer failed to make payments when due and if the outstanding amount is in reasonable proportion to the non-compliant deliveries or services, despite non-compliance with the contract.

(10) Failure to pay invoices that are due or other circumstances that indicate a material deterioration of the Customer's financial situation after the contract was concluded shall give us the right to demand immediate payment of all of our claims under the same legal relationship. In the event of doubts as to the Customer's solvency or creditworthiness, we shall be entitled to demand the Customer to make advance payments or to submit appropriate securities for the service to be provided. If the Customer is not prepared to pay in advance or to submit securities, we shall be entitled to withdraw from these contracts and claim damages for non-performance after a reasonable grace period has expired.

(11) The Customer shall only be entitled to offset claims against our claims if the counterclaim is recognised, undisputed or was established by a court. Claims against us may only be assigned subject to our permission.

(12) The Customer shall only have a right of retention if the counterclaim is based on the same contractual relationship and is recognised, undisputed or if a decision was or is about to be made by a court or if we have violated our obligations under the same contractual relationship to a considerable degree despite a written warning and has not offered adequate protection. If a service of us is indisputably defective, the Customer may only withhold amounts that are reasonably proportionate to the defect and to the expected costs of remedying the defect.

(13) Payment terms remain in effect even if deliveries are delayed through no fault of us.

§ 10 Prices for precious metal, surcharges, precious metal account

(1) Prices for precious metal are calculated based on the opening prices of Umicore, published daily by AGOSI (www.agosi.de), on the day shown on the delivery note plus a surcharge of 2.5%.

(2) The precious metal weights listed in offers and invoices always include a process-related, unavoidable loss / wastage of precious metals.

(3) In the case of precious metal coating handled through a precious metal account, a general 5% surcharge is applied to the share of the precious metals gold (Au), silver (Ag) and palladium (Pd) stated on the order.

(4) We charge a one-off fee of EUR 250,00 for opening a precious metal account, per type of precious metal.

§ 11 Importing materials from third countries

(1) Where the raw material that is to be supplied by the Customer or Customer's sub-contractor (material to be provided for our surface finishing service) originates from a third country (non-EU country), the Customer shall ensure that the goods have been released for free circulation and have the status of Community products before being delivered to us.

The Customer shall submit to us any and all customs documents proving that the goods are Community products.

(2) Import duties and other costs incurred by bringing the goods into the customs union shall be borne by the Customer.

(3) Where the goods of the Customer that we are to process must first be imported into the European Union as non-Community products, and will leave the customs union of the European Community as processed goods after processing by us, we must be notified hereof in advance. If the Customer is exempted from customs duties in such case, a corresponding confirmation of exemption issued by the customs authority must be submitted to us. Where the goods are first released for free circulation by paying import duties, any import duties and other costs incurred shall be payable by the Customer.

(4) Should import duties be charged to us, we will pass these on to the Customer when processing the order.

(5) We are not responsible for the customs treatment of goods.

§ 12 Place of performance, acceptance, collection, transfer of risk, dispatch, packaging

(1) The place of performance for the requested services is the site of us. Unless agreed otherwise, the Customer will collect the goods from the factory once notified of completion.

(2) The Customer is obliged to accept the goods in line with legal provisions as soon as we have notified the Customer that the requested services are complete. If the Customer does not accept the service within two weeks after such notification, the goods shall be deemed accepted. The same shall apply if the Customer refuses to accept the service without good reason.

(3) If collection of the goods was agreed, the risk of destruction or loss of or damage to the goods shall pass to the Customer upon provision of the good for

collection and notification of readiness for collection. If it was agreed to ship the goods, the risk is transferred to the carrier in question upon dispatch or handover of the goods to the carrier. In the event of delayed acceptance or debtor's default on the part of the Customer, the risk is transferred to the Customer at the time such delay occurs.

(4) We are entitled, but not obliged, to send and insure deliveries on behalf and at the costs of the Customer. If we have agreed to be responsible for shipping, the above provisions, especially regarding place of performance and transfer of risks, continue to apply. Type and means of transport are chosen by us. Any additional costs caused by deviating instructions of the Customer shall be payable by the Customer.

(5) If goods are shipped in rented containers, these must be emptied and returned free of charge within 30 days after the delivery was received. Loss of and damage to returnable packaging shall be charged to the Customer if the Customer is responsible and if rented packaging is not returned to us. Rented packaging may not be used for any other purpose or for any other items. They are for transport of the delivery goods only. Labels must not be removed.

(6) Unless agreed otherwise, we shall decide type and extent of packaging. Packaging is chosen with due care and to the best of our knowledge. Disposable packaging becomes the property of the Customer and cannot be returned to us; rather, we will provide the Customer with the name of a third party that will collect the packaging and take it for recycling in accordance with the packaging regulation.

(7) In the event of damage to or loss of the goods during transport, a record must be prepared immediately and we should be informed thereof. The Customer shall assert any claims in connection with transport damage towards the carrier without delay.

(8) Partial services are permissible, provided that this causes no disadvantages for the Customer.

§ 13 Delivery of goods, incoming goods inspection

(1) Upon delivery of the goods, the Customer must provide any and all information on the goods that is necessary to identify the Customer's products and to ensure due and careful treatment of these to prevent damage. Such information includes, in particular, the number of items, designation and value of the goods, individual price and total value, gross and net weight, mode of transport and desired mode of transport for return if delivery was agreed. Additionally, the goods must be accompanied by the information required for processing or coating, especially detailed treatment instructions, unless these are listed in the order or order confirmation.

(2) If collection of the goods by us was contractually agreed, the above information must accompany the duly packed and ready-to-transport goods.

(3) We are not liable for damage caused by inaccurate labelling and identification of the goods.

(4) We will examine the delivered goods for visible external damage. We are not obliged to carry out further checks. Any detected defects shall be reported to the Customer within 10 working days after the defect was detected.

(5) The Customer is obliged to compensate any damage we incur as a result of being supplied with material that cannot be processed, including lost profit.

§ 14 Incoming goods inspection and notice of defects, storage

(1) § 377 German Commercial Code (*HGB*) shall apply *mutatis mutandis* to our services. The Customer's claims for defects shall only be permissible if the Customer, having inspected the goods processed by us for defects after return delivery in terms of § 377 *HGB*, notifies us immediately and in writing of any defects discovered, including a detailed list of defects. The burden of proof that a concealed defect exists falls to the Customer.

(2) If complaints are filed, the Customer shall give us the opportunity to review the goods in question without delay. Upon request, the allegedly defective goods or a sample of these must be surrendered to us at our costs within one week after the defect was reported. If a complaint is unjustified, we reserve the right to charge costs associated with transport, transshipment and checking the goods to the Customer.

(3) If necessary, the Customer shall run a trial processing run in order to establish whether the delivered goods are suitable for the intended purpose.

(4) We will check the processed goods prior to shipping, if possible. If the Customer requires further checks, these must be agreed separately and paid for by the Customer.

(5) We shall bear costs for processes such as checks, validation and tests (including multiple times, if necessary) that the Customer or third parties incur only if:

a. we have previously agreed to these tests and to payment of associate costs in writing.

b. costs are only incurred to separate usable from unusable parts.

c. only a few items of a batch (no more than 5) will be subject to destructive tests.

d. these tests are industry standards, i.e. they are NOT conducted for scientific research.

e. the total costs of such tests do not exceed a net amount of EUR 3.000,00.

(6) The Customer is obliged to store the delivered goods properly and under standard conditions (in particular temperature: 15-20°C, humidity max. 40%). Additionally, sulphur-free packaging is required for products with surfaces that contain silver.

§ 15 Quality, liability for material defects

(1) The quality of our services complies with customary requirements for galvanic surface finishing. If special qualities are required, for example in regard to heat or weather resistance, this must be communicated in writing at the earliest possible time, no later than when placing the order, and we have to expressly confirm such quality requirements. Any form of dimensional accuracy is only guaranteed if exact specifications were recorded in writing in the order.

(2) We grant a warranty for any defects present at the time risk is transferred to the Customer, unless the defect was caused by circumstances that the Customer is responsible for. Neither do we give a warranty for any defect for which we can prove that the services were provided in due form.

(3) The characteristics listed in the service specifications are the comprehensive and final list of specifications for the delivery or service. The delivery and service descriptions of us are quality agreements and not guarantees or warranties, unless expressly agreed otherwise. To avoid any doubt, if we make any statements in connection with this contract, these do not contain any guarantees or warranties in terms of special liability or special warranty obligations. If in doubt, only express written declarations on our part regarding guarantees and warranty shall be valid.

(4) If a service is defective, we must always be given the opportunity to remedy the defect within a reasonable period of time. If subsequent improvement is impossible for technical reasons or does not take place within the specified time limit due to our fault or if it is unsuccessful, meaning that at least two attempts to repair the defect have failed, or if it is unreasonable for the Customer, the Customer may withdraw from the contract or reduce the price. In case of successive performance contracts, a party may only withdraw from that part of the contract that governs the defective service, unless continued fulfilment of the entire contract has become unreasonable.

(5) Claims of the Customer in relation to costs incurred in connection with any subsequent performance, especially transport, travel, labour and material costs, are excluded insofar as the costs are higher because the item or service in question was subsequently transferred to a location other than the site of the Customer, unless such transfer is part of the item's intended use.

(6) The Customer may not assert claims for defects if the Customer or third parties modify the items processed by us in an improper manner and without our prior written consent, especially in case of any form of surface treatment, or if the Customer uses or processes an item despite being aware of the defect. Neither can claims for defects be asserted:

- in the event of only minor deviations from the agreed quality or an insignificant reduction of usability;
- for any differences and damage resulting from missing, incorrect, incomplete or inaccurate information provided by the Customer when placing the order or from treatment instructions that we have deemed unsuitable before the order was placed;
- for damage caused by unsuitable properties of the supplied goods, such as material defects, dimensional deviations, treated surfaces, processing residue or other foreign bodies, manufacturing defects, improper heat treatment, rust spots, non-detachable residue, soldered joints, etc. However, this only applies insofar as it was not obvious for us at the time the order was placed or when the goods were delivered that the items in question are unsuitable for processing in general and for surface treatment in particular;
- if visible spots and other defects that were not visible before processing become apparent when increasing contrast during processing;
- for reduced corrosion resistance of stainless steels caused by machining;
- for corrosion of a surface-workpiece combination in an electrolytic environment. However, this shall only apply if the Customer has not informed us in writing of the electrolytic environment at the place where the items are to be used before concluding the contract.
- in the event of improper storage within the meaning of § 14 clause (6).

(7) Insofar as claims for defects are asserted with respect to processed parts that are subject to wear and tear, the warranty does not cover normal wear and tear. In the event of doubt, the Customer has to prove that any wear and tear that occurred is unusual.

(8) For damage and expenses which the Customer has to cover by contract or law or agrees to cover in connection with any violation of national or international product law, official regulations, environmental protection or emissions laws, we shall only be liable in line with legal provisions applicable to us. We only accept any further liability if expressly agreed in writing. Both our liability for defects under the contract concluded with the Customer as well as our liability under compelling law we are subject to remain unaffected.

(9) For technical reasons, we can only guarantee usability of coatings for a maximum period of six months, even in case of proper storage in terms of § 14 clause (6).

The galvanic, chemical or mechanical treatment of surfaces may cause negative changes in the surface quality of uncoated areas. This is particularly true for materials containing copper and copper alloys. Uncoated areas are therefore not covered by warranty.

§ 16 Defects of title, industrial property rights

(1) We assume no liability for material defects should the use, installation and resale of the delivered items violate third-party rights; however, we guarantee that we are not aware of the existence of any such third party-rights associated with the delivery items.

(2) The Customer guarantees that no third-party rights (in particular no patents, licenses or other intellectual property rights) will be violated in connection with the specifications, manufacturing equipment supplied by the Customer or by us on the Customer's instructions or by using any suppliers or recipients of a service named by the Customer when performing our contractual obligations.

(3) If a third party holds us liable for a violation caused by complying with the specifications provided by the Customer or in connection with manufacturing equipment supplied by the Customer or by us on the Customer's instructions, the Customer shall indemnify and hold us harmless on first request in regard to any and all claims and shall reimburse any our costs incurred in this regard. If such claims are asserted, we are entitled to stop production and delivery without the Customer having any right to assert claims against us.

(4) Upon our request, the Customer shall provide legal counsel at its own expense or intervene in any legal proceedings. If requested, an advance payment towards the legal fees shall be made to us.

(5) We reserve the right to assert further compensation claims.

(6) The limitation period for any claims to which we are entitled under this provision shall be five years after the contract was concluded.

§ 17 Liability

(1) The liability of us is governed by statutory provisions in cases of intent or gross negligence on the part of us or its representatives or vicarious agents. In all other cases, we shall only be liable in line with the provisions of the Product Liability Act and for injury to life, limb or health of a person, if an express guarantee was given or if major contractual obligations were violated, i.e. any obligations the fulfilment of which makes the proper implementation of the contract possible in the first place and compliance with which the Customer can usually expect. Claims for damage resulting from the violation of major contractual obligations due to minor negligence are limited to the foreseeable damage typical for this type of contract. Also in cases of gross negligence, the liability of us shall be limited to the foreseeable damage typical for this kind of contract if none of the exceptions listed in the second sentence of clause (1) applies.

(2) Insofar as we are not liable for intent, gross negligence, culpable violation of major contractual obligations, for the injury to life, limb or health of a person or under the Product Liability Act, any liability for damages caused by the subject of service to legal assets of the Customer, e.g. other items, due to lost profit or other financial losses is excluded.

(3) The provisions of clauses (1) and (2) above shall also apply to compensation in addition to service and compensation instead of service, irrespective of legal grounds, but especially in connection with defects, violation of obligations or tort. They also apply to any claims for compensation of futile expenses and to liability for impossibility.

(4) Claims for damages asserted against us are limited to any cover under operational and product liability insurances, aeronautical product liability insurance, and recall our cost insurance as applicable. This shall not apply in cases where we are liable as a result of intent, gross negligence, injury to life, limb or health of a person, culpable violation of major contractual obligations or under the Product Liability Act.

(5) The liability to pay damages is also excluded if and insofar as the Customer has effectively limited liability towards the Customer's customer. In such case, the Customer shall endeavour to agree legally permissible limitations of liability for us also.

(6) Insofar as our liability to pay damages is excluded or limited, this also applies to all claims of the Customer based on fault at the time the contract was concluded, violation of ancillary obligations or claims of the Customer based on producer liability as well as impossibility. Insofar as our liability is excluded or limited, this also applies to the personal liability of our staff, employees, workers, representatives, proxies and vicarious agents.

(7) Insofar as liability is excluded or limited in the above provisions, the Customer shall also indemnify and hold us harmless in regard to claims of third parties on first request.

Claims of the Customer for damages and expenses in connection with defects are governed by the following provisions, without regard to the legal nature of the claim, especially and also with respect to claims for defects and breaches of duty, as well as tort liability. We are liable for damages in accordance with the statutory provisions: - in case of intent; - in the event of culpable injury to life, limb or health; - in case of defects or other circumstances that were fraudulently concealed, or - in case of defects if freedom from defects was guaranteed or where a quality guarantee was given. Furthermore, we shall be liable for damages in line with legal provisions; however, liability shall be limited to the foreseeable damage typical for this type of contract: - in the event of gross negligence on the part of our legal representatives, managers and other vicarious agents; - in case of minor negligence on the part of our legal representatives, managers and other vicarious agents, if and insofar they violate major contractual duties (obligations the fulfilment of which is essential for the proper performance of the contract and the observance of which the Customer may rely on). Any mandatory liability of our company under the law, especially under the Product Liability Act, remains unaffected. Unless agreed otherwise above, all other claims are excluded.

§ 18 Processing prototypes

(1) The Customer's prototypes submitted to us for processing may only be used for internal purposes of the Customer.

(2) Our liability for material and property damage is excluded insofar as we have not caused such damage intentionally or through gross negligence or is not liable for it under the Product Liability Act or has not violated a major contractual obligation. In the event of a violation of a major contractual obligation through minor negligence, our liability is limited to the foreseeable damage typical for this type of contract.

(3) If third parties assert claims against us, the Customer will indemnify and hold us harmless in regard to such claims and will cover any associated costs to defend us against such claim, insofar as we are not liable for the damage towards the Customer.

§ 19 Special legal provisions

(1) The RoHS Directive, the ElektroG, REACH, the AltfahrzeugV and/or other relevant regulations, ordinances and directives may apply to orders placed by the Customer. The Customer is obliged to inform us in writing whether the goods provided to us for coating fall within the scope of the ElektroG or other relevant regulations. If we do not receive any notification from you, we may assume that the product components provided to us for coating are not installed in or connected to products that are subject to special regulations. If the products provided for coating are subject to relevant exceptions, the Customer is obliged to explicitly inform us of these in writing.

We do not accept any liability for failure to provide this information. If third parties assert claims against us based on such violation, you are obliged to indemnify and hold us harmless.

(2) If the Customer requires any guarantees, obligations, confirmations or declarations in regard to compliance with national or international law, regulations and requirements, especially in connection with criminal law, corruption, antitrust law, environmental protection, human rights, occupational safety and minimum wage, these shall only establish a contractual obligation on the part of us towards the Customer if we expressly agree to this in writing. The same applies to us complying with non-binding standards on request of the Customer.

§ 20 Processing parts for aircraft and spacecraft

(1) The Customer shall inform us in good time if the parts we process are to be used in the aeronautics and space industry, including the relevant safety level, in order to enable us to decide whether the contract should be accepted or not. We will not be liable for failure to provide such information or if the information provided is incorrect or incomplete.

(2) No liability is accepted for any environmental damage resulting from disrupted operation of aircraft caused by products treated by us after such products were brought into circulation or after the work of us is complete. This does not apply in cases of intent.

§ 21 Limitation periods

(1) The limitation period for claims and rights arising in connection with defects of our products and services and for any resulting damage is one year. The above limitation period does not apply if the law specifies longer limitations periods for cases addressed in §§ 438 clause (1) no. 2, 479 and 634a clause (1) no. 2 *BGB*. The limitation period set out in sentence 1 shall also apply to all claims for damages asserted against us, regardless of whether they are related to a defect and irrespective of the legal basis of the claim. Limitation periods start in line with statutory provisions.

(2) The limitation period referred to in clause (1) above does not apply in case of intent, if we have fraudulently concealed the defect, in case of claims for damages due to injury to life, limb or health or freedom of a person, in case of claims under the Product Liability Act, in case of a grossly negligent breach of duty or in case of violation of major contractual obligations.

(3) Subsequent performance does not suspend limitation periods for the original service nor do limitation periods start anew in such cases.

§ 22 Reservation of title, right of lien

(1) We reserve title to the delivery ("product subject to retention of title") until all payments under the business relationship with the Customer were made. This retention of title also covers any recognised account balance, insofar as we record claims against the Customer in our current account (current account subject to retention of title). If the Customer violates the contract, especially if the Customer delays payment, we are entitled to recover the products that are subject to retention of title. Our recovering the products that are subject to retention of title also constitutes a withdrawal from the contract. Once we have recovered the products that are subject to retention of title, we may exploit these otherwise and the proceeds shall be counted towards the amounts owed by the Customer, minus any reasonable costs incurred when using the products otherwise.

(2) The Customer is entitled to resell the products that are subject to retention of title in the ordinary course of business; however, the Customer assigns to us all claims with the same value as the final invoice amount (including VAT) of our claims that the Customer has against the Customer's customers or third parties as a result of such resale. If the Customer includes these claims from resale of the products that are subject to retention of title in a current account for the Customer's customer, a current account claim equivalent to the recognised account balance shall be assigned; the same applies to any "causal" balance in the event of insolvency of the Customer. The Customer shall remain authorised to collect the assigned claim even after their assignment. This shall not affect our right to collect the claims itself, subject to provisions of insolvency law, however,

we undertake not to collect the claims as long as the Customer does not violate their contractual obligations (especially as long as the Customer complies with their payment obligations), is not in default with payments or has not filed for insolvency and has not ceased making payments. The Customer may not pledge the claims as security or otherwise.

(3) If we are no longer obliged to not collect any claims itself in line with clause (2) above, we shall have the right, subject to provisions of insolvency law, to revoke the Customer's right to resell the goods and to exercise our right to recover and exploit the products in terms of clause (1) above and/or to revoke the right to collect claims and to demand that the Customer disclose to us any and all claims and debtors, submits all information required to collect the debts, surrenders any associated documents and to notify the debtors (third parties) of such assignment.

(4) In the event of damage to or loss of the products subject to retention of title as well as in the event of a change of business seat or residence, the Customer will inform us immediately and in writing. The same shall apply if these products are seized or otherwise affected by third-party actions, so that we can file a claim in terms of § 771 Code of Civil Procedure (*ZPO*). Insofar as the third party is not in a position to reimburse us the judicial and extrajudicial costs of an action in accordance with § 771 *ZPO*, the Customer shall be liable for any losses of us. If such products are released without resorting to the courts, any resulting costs may also be charged to the Customer, as can the costs incurred when retrieving the seized products.

(5) Any processing or modification of the products subject to retention of title by the Customer is done on behalf of us. If the products subject to retention of title are processed together with other goods not belonging to us, we will acquire co-ownership of the processed product in proportion of the value of the products subject to retention of title to overall value of the new product (final invoice amount including VAT) at the time of processing or modification. Apart from the above, the goods created through processing or modification are subject to the same provisions as the products subject to retention of title. The Customer is granted an interest in the goods created through processing or modification that is proportionate to the Customer's share in the products that are subject to retention of title.

(6) If the products subject to retention of title are combined or mixed with other goods not belonging to us in a manner that makes them inseparable, we will acquire co-ownership of the new product in proportion of the value of the products subject to retention of title to overall value of the combined or mixed products (final invoice amount including VAT) at the time of mixing or combination. If the goods of the Customer are the main component of the mixed or combined new product, it is agreed that the Customer will transfer a partial ownership interest to us. The Customer acts as custodian for the wholly-owned or partially-owned products on behalf of us.

(7) When reselling the products subject to retention of title after processing or modification, the Customer assigns to us by way of security that part of the Customer's payment claim that is equivalent to the final invoice amount (including VAT) of our claims. If we have acquired only a co-ownership share following processing, modification, mixing or combination of the products subject to retention of title together with other products not belonging to us in accordance with clause (5) or (6), the purchase price claim of the Customer will only be assigned to us in advance to the amount equal to the proportion of the amount invoiced by us for the products subject to retention of title, including VAT, to the invoice amounts of the other goods not belonging to us. Otherwise, clause (2) to (4) above apply to the claims assigned in advance.

(8) If this retention of title or assignment is not valid under the law of a foreign country in which the products that are subject to retention of title are located, any security provided for under such law that is equivalent to this retention of title or assignment shall be deemed agreed. If the co-operation of the Customer is needed to establish such rights, the Customer is obliged to do anything required to create those rights if so requested by us.

(9) The Customer is obliged to treat the products subject to retention of title with care and to maintain them at the Customer's costs; in particular, the Customer is obliged to arrange, at the Customer's costs, sufficient insurance cover for these goods at their reinstatement value against theft, robbery, burglary, fire and water damage. The Customer shall assign any and all insurance claims for the products subject to retention of title to us. We accept such assignment. Furthermore, we reserve the right to demand performance or to claim damages.

(10) We agree to release any securities We hold to the Customer insofar as the realisable value of our securities exceeds the claims that they secure by more than 10%; we shall decide which securities shall be released.

§ 23 Confidentiality, prohibition of utilisation

(1) The Customer agrees to treat as confidential all commercial or technical details the Customer becomes aware of when conducting business with us and that are expressly marked as "confidential" or that can be recognised as confidential information based on their circumstances, especially any know how of us, ("confidential information") and to establish and maintain adequate measures to keep these secret. Confidential information may only be used for fulfilling the contract and must not be disclosed or made available to unauthorised third parties. The information may only be copied if operational reasons so require and if compliant with copyright regulations. If the Customer discovers that confidential information became known to unauthorised third parties or was lost, the Customer shall notify us hereof immediately.

(2) The obligations set out in clause (1) above do not apply to any information that was already widely available when the other party received it or that becomes widely available at any point during the contract duration without a contract violation. The same shall apply if the Customer can prove that any confidential information the Customer receives was already available to the Customer beforehand.

§ 24 Know-how, inventions

Any secret, high-value and advanced knowledge (know how), inventions and any associated industrial property rights we have before or acquire while it fulfils its contracts are our property, subject to any separate agreements with the Customer or any use or utilisation of the delivery items by the Customer as contractually agreed.

§ 25 Place of jurisdiction, place of performance, applicable law, data protection, severability clause

(1) At our discretion, the place of jurisdiction is either the court having jurisdiction at the place of our business or the general place of jurisdiction of the Customer. This also applies in case of disputes concerning deeds, bills of exchange and cheques.

(2) The place of performance for any payments to us under the contract is the place of our business.

(3) Contracts between the Customer and us are exclusively governed by the law of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods from 11 April 1980 (CISG), if pertinent, does not apply.

(4) We process all information of the Customer solely for the purpose of fulfilling our contracts and in accordance with data protection laws as amended.

(5) Should anything in these terms and conditions be or become invalid, this shall not affect the validity of the remaining provisions. The parties shall endeavour to replace the void clause with such other legally effective clause that comes as close as possible to the economic outcome of the original provision.