

General Terms & Conditions of Processing of Aalberts Surface Technologies Deurne BV

Januar 2021 edition

Section 1 General information, scope of application

(1) These General Terms & Conditions of Processing ("GTC of Processing") apply for our present and future business relations with our contractual partners, insofar as they involve the mere coating and/or finishing/processing of workpieces that are provided to us directly or indirectly from our contractual partners for this purpose or that are procured for us as specified by the contractual partners ("Customers"). If we procure workpieces as specified by the Customer then, in the absence of an express agreement to the contrary, we are acting as representatives of the Customer, which becomes the direct contractual partner of the respective Supplier particularly with regard to the payment of the purchase price and in this respect we do not assume any sort of payment or financing obligation. The GTC of Processing apply only if the Customer is an entrepreneur or a legal person under public law who is acting in the exercise of a profession or business.

(2) Our General Terms & Conditions of Delivery, which differ in part, shall apply for cases in which we handle the sale and delivery of coated or uncoated goods (manufactured by us or without specifications from the Customer).

(3) Unless otherwise agreed, the version of the GTC of Processing that is valid or at any rate most recently communicated to the Customer in text form at the time of the Customer's order shall apply as a framework agreement even for future contracts of the same type without requiring us to refer to it again in each individual case.

(4) Any differing, contrary, or additional General Terms & Conditions – known or unknown – shall not apply to contracts unless we have expressly approved of them in writing. This approval requirement applied in every case, e.g. even if we perform the delivery without reservation in awareness of the Customer's General Terms & Conditions.

(5) Individual agreements made with the Customer in an individual case (including side agreements, amendments, and changes) take precedence over these GTC of Processing. A written contract or our confirmation at least in text form (Section 156a Rv) shall govern the content of such agreements in the absence of proof to the contrary.

(6) Legally relevant declarations and notices that are to be surrendered to us by the Customer after the conclusion of the contract (e.g. deadlines, notices of defects, cancellation, or reduction) must be made in written form in order to be effective.

(7) References to the validity of statutory provisions are only for clarification purposes. The statutory provisions therefore apply even without that type of clarification unless they are directly modified or expressly excluded in these GTC of Processing.

Section 2 Conclusion of contract

(1) Our offers are always conditional and non-binding, unless they have been expressly designated as binding or contain a specific acceptance period. A contract is not concluded until we have confirmed the order in text form or have executed the work.

(2) By placing the order the Customer is giving binding instructions to have the contracted work (coating/finishing/processing) carried out. Unless otherwise stated in the order, we shall have 14 days after receiving the order to accept the contract offer within it.

(3) Acceptance can either be declared in text form (e.g. by means of an order confirmation) or occur in the form of execution of the work.

(4) The written concluded contract including these GTC of Processing alone shall govern legal relations between us and the Customer. Our verbal undertakings before the conclusion of the contract are not legally binding and verbal agreements will be replaced by the written contract unless they respectively explicitly state that they shall continue to apply as binding.

(5) Amendments and changes to the concluded agreements including these GTC of Processing must at least be made in text form in order to be effective. With the exception of Managing Directors and employees with power of attorney our employees are not authorized to conclude deviating agreements.

(6) We retain the title and copyright to all offers and cost estimates as well as drawings, diagrams, calculations, prospects, catalogs, models, tools, and other documents and resources provided to the Customer. The Customer may not make these available as such to third parties, disclose them, makes use of them, or duplicate them personally or through third parties without our express consent. At our request the Customer is to return all of these things to us and destroy any copies that have been made if the Customer no longer needs them in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. The saving of data made available for the purposes of conventional data backup is excluded from this.

Section 3 Non-binding technical advice and technical/chemical information

(1) The technical advice that we provide to the best of our knowledge is non-binding and does not relieve the Customer from the responsibility of checking the suitability of each individual delivery for the Customer's intended purpose before further processing and/or use.

(1) The technical, physical, and chemical information we provide (e.g. weights, measurements, utility values, reliability, tolerances, and technical specifications) as well as our depictions of these (e.g. drawings and diagrams) is only approximations unless the usability for the contractually intended purpose recognizably requires precise conformity or we have contractually agreed to specific information within the framework of a performance specification. They are not guaranteed quality characteristics but rather descriptions or identifications of the delivery or service. Customary deviations and deviations made due to statutory provisions or technical improvements as well as the replacement of components with comparable parts are permitted unless they negatively impact the usability for the contractually intended purpose.

Section 4 Handover and properties of workpieces, Goods receipt

(1) All workpieces that are handed over to us for coating/processing/finishing must be accompanied by an order or delivery note that includes the following information: Designation of the pieces, quantity, value, net weight, specific features, deadlines, packaging type, material quality (standard designation), and an express indication if any piece is not suitable for heat treatment at 430 °C.

(2) The following information is additionally required on a pro forma invoice for all deliveries from abroad: unit price and total value, number of packages, gross and net weight, country of origin of the Goods, mode of transport for delivery, and requested mode of transport for return shipment.

(3) The Customer bears the risk concerning the suitability of workpieces delivered by the Customer or procured by us as specified by the Customer for coating/processing/finishing unless we are accused of willful intent or gross negligence.

(4) Workpieces to be processed must be delivered by the Customer in a condition ready for processing on schedule by the agreed date (cf. Section 11).

(5) Unless specifically instructed or required to do so by the Customer, we are not obligated to perform a special inspection or incoming control on the workpieces to be processed.

Section 5 Ownership, liens, and rights of retention

(1) The processing of the workpieces is carried out by us exclusively on behalf of the Customer. The workpieces remain the property of the ordering Customer at all times, provided that the Customer has acquired ownership of them.

(2) Our claims under the contract entitle us to a lien on the workpieces and things of the Customer that have been entrusted to us. Our statutory lien and right of retention remain unaffected.

(3) We may also assert our lien due to claims from previously performed work, deliveries of replacement parts, and other services, insofar as they are connected to the service performed. A lien may be asserted for other claims arising from the business relationship that are uncontested or legally established as final and absolute.

Section 6 Compensation and cost estimate

(1) The prices are stated in euros ex works/warehouse plus the respective applicable sales tax as well as costs for any packaging and transport. The Customer shall bear any customs duties, fees, taxes, and other public charges. If costs relating to the order change significantly after the conclusion of the contract then the contractual partners shall agree on an adjustment.

(2) If a non-binding cost estimate was prepared then we will notify the Customer without undue delay if we should determine during the processing that it is impracticable without significantly exceeding the cost estimate. The cost estimate will be significantly exceeded if the difference is at least 15% of the cost estimate.

(3) The Customer undertakes to pay the agreed price in full within 10 days after receipt/acceptance of the workpieces and the corresponding invoice. If this deadline is not met then the Customer shall automatically be in default of payment. This shall be determined on the basis of when the payment is received by us.

(4) We have the right, even within the framework of a current business relationship, to require payment in full or in part in advance to carry out a delivery. We will declare any corresponding reservation with the order confirmation at the latest. Apart from that we have the right to require advance payment or security to carry out or perform still outstanding delivery or services if we become aware of circumstances after the conclusion of the contract that are suited to significantly decrease the credit rating of the Customer and through which our outstanding claims against the Customer from the respective contractual relationship (including from other individual orders for which the same framework contract applies) is threatened.

(5) The Customer is to charge interest on the monetary debt in the amount of 8 percentage points above the base interest rate for the duration of the delay. Within this context we expressly reserve the right to prove and assert higher damages due to delay. Our claim to commercial maturity interest (Section 6:119a of the Dutch Civil Code) against entrepreneurs remains unaffected.

(6) Provided that the agreed prices are based on our list prices we reserve the right to raise the prices according to the cost increases for wages and materials up to the amount of the current list price (taking into account any discounts or reductions granted) for contracts with an agreed term of more than four months. If the price increase is more than 5% then the Customer has a right to termination.

(7) The Customer has a right to offset only if the Customer's counterclaims are legally established as final and absolute and/or were recognized by us. The Customer may exercise a right of retention only if the Customer's counterclaim is based on the same contractual relationship.

Section 7 Impracticable service

If the service cannot be performed for reasons for which we are not responsible then the Customer shall nevertheless owe an appropriate compensation for our expenses incurred. Our liability for damage to workpieces, breach of ancillary contractual obligations and for damages not affecting the workpiece itself is excluded in this case unless there is a case of willful intent or gross negligence.

Section 8 Delivery period, default in delivery, partial deliveries

(1) Delivery deadlines and periods are non-binding unless expressly agreed otherwise in text form. The delivery period begins when the parties have resolved all details of execution and the Customer has provided all of the information required for the

contract. If the parties have agreed to a shipment then the delivery periods and deadlines relate to the point in time of the handover to the forwarder, carrier, or other third party commissioned for transport.

(2) We are not liable for impossibility of delivery or for delays in delivery if these are due to force majeure or other events that were unforeseeable at the time of the conclusion of the contract (e.g. operational disruptions of any type, difficulties in the procurement of materials or energy, delays in transport, strikes, legal lockouts, workforce, energy, or raw material shortages, difficulties in the procurement of the necessary official permits, official measures, or incomplete, incorrect, or late delivery by Suppliers) for which we are not responsible. If such events make the delivery or service significantly more difficult or even impossible and the hindrance is not merely temporary then we have the right to fully or partially revoke the contract; in such a case we will refund any unused consideration already paid by the Customer without undue delay. Hindrances of a temporary nature shall extend the delivery or performance periods or postpone the delivery or performance deadlines by the period of the hindrance plus a reasonable start-up period. If the Customer cannot be reasonably expected to accept the delivery or service due to the delay then the Customer has the right to revoke the contract by means of written notice of cancellation without undue delay. The Customer will be informed of the impossibility of the delivery or delay in delivery without undue delay.

(3) The statutory provisions define when our delivery is deemed to be late; in any case a warning notice from the Customer is required, though. If we are late in the performance of the delivery or service or if it becomes impossible for us to perform a delivery or service for whatever reason then our liability for damage compensation shall be limited in accordance with Section 12 of these GTC of Processing. Our legal rights, particularly in the event of an exclusion of the obligation to perform, shall remain unaffected.

(4) In the absence of any other explicit agreements we have the right to make partial deliveries if the partial delivery is usable for the Customer within the framework of the contractually intended use, the delivery of the remaining ordered goods is guaranteed and no significant additional effort or additional costs are incurred by the Customer due to this unless we agree to assume these costs.

Section 9 Bearing of risk, transport, and insurance coverage

(1) The Customer shall bear the risk of accidental loss or deterioration of the workpieces, irrespective of whether such occurs during transport to or from or within our facilities.

The Customer shall bear the transportation costs for the workpieces both ways. At the Customer's request and expense we will insure transport to and/or from our facilities against insurable transport risks such as theft, breakage, and fire.

(3) There is no insurance coverage during the processing in our facilities. The Customer is personally responsible for ensuring that any existing insurance coverage for the workpieces (e.g. fire, bust pipe, or storm insurance). We will only obtain insurance for these risks at the Customer's express request and expense.

Section 10 Acceptance of the processed workpieces

(1) The Customer shall inspect the workpieces immediately upon delivery and shall file complaints for defects in terms of the scope of delivery, properties & condition, or quality without undue delay. Coated products that were not finished by us shall be deemed accepted in defect-free condition if the Customer does not file a written complaint for defects of quality in text form within 7 days of delivery. This provision also applies to coatings for which no subsequent processing is necessary or intended. Workpieces subsequently processed by the Customer or by third parties by order of the Customer are generally not covered under any warranty or guarantee due to the inability to monitor the processing. If the Customer refuses to accept the workpieces due to major defects then we have the right to attempt to rectify them. We may refuse to rectify defects if the quality of the coating is appropriate for the specified and assumed purpose on the basis of our technological experience. Acceptance shall be

deemed to have occurred upon handover and usage of processed workpieces without complaint or upon payment by the Customer.

(2) Acceptance-related costs shall be borne by the Customer required to provide acceptance.

(3) If the Customer falls into default in acceptance or fails to perform a cooperative action or if our delivery is delayed for other reasons for which the Customer is responsible then we have the right to demand compensation for the damages resulting from this including additional expenses. For this we shall invoice a flat-rate compensation for each commenced calendar week of delay in the amount of 0.5% of the agreed net price (delivery value) up to a maximum of 5% of the delivery value of the late delivery and 10% of the delivery value of the unaccepted workpieces in the event of final nonacceptance.

(4) Our right to prove higher damages and our statutory claims (particularly to reimbursement for additional expenses, appropriate compensation, termination) remain unaffected; the flat rate is to be offset against any further monetary claims, though. The Customer has the right to prove that significantly less damage than the flat rate specified above or no damage at all resulted.

(5) In the case of default in acceptance the acceptance shall be deemed to have occurred after two weeks have passed since the Customer received the completion notice.

Section 11 Properties of parts, warranty

(1) We provide warranty that the contractually agreed performance characteristics are fulfilled and conform to the agreed scope of services for finishing, processing, and coating.

(2) Our liability for defects is generally only based on the agreement concluded on the properties of the coating/finishing/processing of the workpieces. Product descriptions designated as such that are lent to the Customer by us before the order or are incorporated into the contract in a similar way as these GTC of Processing shall be deemed to be an agreement on these properties & condition. Public statements, promotion, or advertisement by us or third parties do not constitute a contractually specified properties & condition.

(3) We will remedy defects covered by warranty of which we are informed in text form by the Customer. The written notice of defects must include the following details: Designation of the pieces, defect description, quantity, delivery date, delivery note number, order number, and final inspection ID. The Customer bears the full burden of proof for all conditions of entitlement. If an attempt of supplementary performance fails and the Customer opts to receive compensation for damages, the amount of compensation for damages shall be limited to simply the value of our coating services (Section 11 Subsections (2)-(4) apply accordingly).

(4) If there is a defect covered by warranty then the Customer may demand supplementary performance, whereby we are entitled to decide within an appropriate period whether the defect will be rectified (defect rectification) or a new non-defective thing (remanufacture) will be delivered. However, the warranty shall not apply if the Customer changes the workpieces or has them changed by third parties without our consent, thereby making defect rectification impossible or unreasonably difficult. In any case the Customer shall bear the additional defect rectification costs resulting from the change.

(5) We have the right to make the owed supplementary performance dependent upon payment of the due work compensation claim by the customer. However, the Customer has the right to withhold an appropriate portion of the work compensation proportionate to the defect.

(6) The customer is to give us the time and opportunity necessary for the owed supplementary performance, particularly for surrendering the rejected workpieces for inspection purposes. In the case of remanufacture the Customer is to return the defective workpieces to us in accordance with the statutory provisions. The supplementary performance does not include the removal of the defective workpieces nor re-installation if we were not originally obligated to provide installation.

(7) We shall bear the expenses required for the purposes of the inspection and supplementary performance, particularly transport, travel, labor, and material costs (but not removal and installation costs) if there is actually a defect; this shall not apply if the costs increase because the workpieces are at a different place than the place of the original delivery. Otherwise we cannot demand reimbursement for the costs resulting from the unjustified demand for defect rectification (particularly inspection and transport costs) unless the lack of defect was not evident to the Customer.

(8) In urgent cases, e.g. in the event that operational safety is jeopardized or for the purpose of defending against unreasonable claims for damages, the Customer has the right to personally rectify the defect and to demand reimbursement for the costs objectively required for this. We are to be notified of this type of self-help without undue delay, if possible in advance. There shall be no right of self-help if we would have had the right to refuse a corresponding supplementary performance in accordance with the statutory provisions.

(9) If the supplementary performance fails or if the appropriate period to be set by the Customer fails to be met or is not required by the statutory provisions then the Customer may revoke the contract or reduce the price. There is no right of revocation in the event of a minor defect, though.

(10) In the event of defects of components of other manufacturers that we are unable to rectify for licensing or factual reasons we will either assert our warranty claims against the manufacturers and suppliers for the account of the Customer or assign them to the Customer, at our choice. Warranty claims against us for these types of defects shall be available subject to the other requirements and in accordance with these GTC of Processing only if the legal enforcement of the claims specified above against the manufacturer and supplier was unsuccessful or appears to have no prospect of success, e.g. due to insolvency. The limitation of the Customer's warranty claims against us in question shall be suspended for the duration of the legal dispute.

(11) The Customer receives no guarantees from us in the legal sense. Manufacturer guarantees remain unaffected by this. We do not provide any guarantee of suitability for extraordinary loads. Liability is excluded for damages caused by influences that were unknown to us at the time of work execution and the later impact of which was also unforeseeable, by improper handling, or by mechanical stress.

(12) The properties of coatings are significantly influenced by the properties of the workpieces, meaning that the Customer must ensure that these are delivered in a condition suitable for coating. The following are to be avoided or removed in particular: weld beads, laminations, flashing, cracks, pores, bubbles, and the like. The Customer shall bear the expense for damages and defects that are due to the fact that the materials delivered to us were not in a condition suitable for coating. The same shall apply if our coatings do not adhere or do not sufficiently adhere to the workpiece due to poorly soluble preservatives, oils/greases, drawing compounds, or oxide layers, unless this was readily apparent to us. We shall furthermore not be liable for damages and defects resulting from the use of raw materials of a quality other than that provided to us or agreed to for trial coating. Color specifications, e.g. based on RAL, viscosity specifications, and gloss specifications are only ever approximations, even if confirmed by us. Deviations in color, gloss, or flow properties within tolerance limits that are typical for the industry shall not justify a notice of defects; the same shall apply for deliveries made according to a sample as well.

(13) The Customer is responsible for investigating whether a coating will withstand foreseeable stress conditions caused by sea water, chemicals, vibrations, high temperatures, and the like.

(14) We shall not be liable for any deformation, accuracies of dimension or fit, cracks, or the like resulting from the processing. No liability will be assumed for rejects due to defects and shortfall quantities of small parts of up to 1%.

(15) If we incur equipment and setup costs on the basis of the Customer's specified quantity and if the quantity specified by the Customer is not met then we must impose a charge for the remainder for these same costs. Only the prime costs will be charged for special equipment such as covers and coating equipment agreed to in the order.

(16) Irrespective of the provisions above, notices of defects shall not be recognized in the following cases except where explicitly otherwise agreed to in writing:

- a. in the event of damage resulting from transport or assembly or in the event that repair work is conducted by the Customer if the parties have not agreed that the Customer is authorized to perform such defect rectification work;
- b. in the event of damage caused by contact with sealing profiles, sealants, cleaning agents, or cleaning processes (e.g. autoclaves, steam blasters); in the event of damage caused by blanks being contaminated with silicone-containing or similar products; in the event of damage caused by excessive greasing, oiling, or the like;
- c. in the event of Improper design or design unsuitable for coating;
- d. in the event that the finished workpieces are kept in areas under the direct influence of salt water, industrial chemicals, or other sources of aggressive emissions of harmful substances;
- e. in the event of utilization contrary to the provisions for proper use to which we and the Customer agreed and/or in the event of improper processing of the workpieces in cutting, bending, or other forming processes; in the event of processing using inadequate tools and/or by unqualified personnel (proper use shall be as described in our product description unless otherwise expressly agreed);
- f. in the event of the delivery of defective (e.g. rusty, oxidized, or containing oils or greases) by the Customer or in the event of laser-cut edges – if defective workpieces are delivered by the Customer and if additional services are requested and/or necessary beyond the contractual scope of services then the Customer is to reimburse us for the additional costs resulting from this beyond the agreed price;
- g. in the event of coatings to primers, pre-coatings, castings, or batch-galvanized workpieces, regardless of their origin – in this case the finishing/processing shall be carried out at the sole risk of the customer due to our lack of influence on the substrate;
- h. in the event of rejection due to deformation, cracks, or the like in the course of processing as well as in the event of negative impact on the accuracies of dimension or fit of movable parts;
- i. in the event of gas emissions, adhesion problems, and surface roughness resulting from substrate properties;
- j. in the event of excessive air and/or dust inclusions, unless these relate to workpieces that are as good as new or those with surface properties allowing flawless coating;
- k. in the event of surface defects.

(17) The warranty period for our processing services amounts to 12 months from the time of acceptance. This does not apply in cases of malice.

Section 12 Liability and limitation of liability

(1) Unless otherwise specified in these GTC of Processing including the following provisions, we shall be liable for a breach of contractual and non-contractual obligations in accordance with the statutory provisions.

(2) We do not assume any liability for the suitability of a coating/finishing/processing ordered by the Customer for the Customer's intended purpose. The Customer bears the usage risk exclusively. In particular, the Customer bears the risk associated with the use of coated workpieces in safety-relevant areas of machinery, equipment, and vehicles of any type. The Customer is responsible for complying with statutory provisions regarding the permissibility of coated workpieces for use in vehicles, equipment, and machinery of any type. The Customer is responsible for obtaining and complying with operational permits for vehicle parts, equipment components, and/or machinery parts coated by us. We shall not be liable for the compensation of any damage caused by the use of coated parts in machinery, equipment, and vehicles of any type. We shall not be liable for damage caused by chemical, thermal, and mechanical influences on coatings. This includes damage caused by bearings or seals. We shall not be liable for damage occurring during the processing or other use of the supplied workpieces either.

(3) We are liable for damages for whatever legal reasons within the framework of the fault-based liability in the event of willful act and gross negligence. In the event of slight negligence we are only liable subject to a milder standard of liability in accordance with statutory provisions (e.g. for due care in the handling of our own affairs)

a. for damages from injury to life, body, or health,

b. for damages from the breach of an essential contractual obligation (an obligation that must be fulfilled in order to make the proper execution of the contract even possible and on compliance of which the contractual partner regularly relies and may rely).

(4) Insofar as we are liable for damages in accordance with the previous paragraph (3), our liability is limited to compensation for the typically occurring damages foreseeable at the conclusion of the contract. Indirect and consequential damages that are the result of defects in the workpieces are also only eligible for compensation if such damages can typically be expected with the use of the workpieces as intended.

(5) In the event of liability for slight negligence our liability to pay compensation for property damages and further asset losses resulting from this is limited to an amount of EUR 10 million per damage event (corresponding to the current coverage of our product liability insurance policy or liability insurance policy), even if it involves a breach of essential contractual obligations.

(6) The Customer may revoke or terminate the contract due to a breach of obligation that does not involve a defect only if we are responsible for the breach. A free right of termination on the part of the Customer is excluded. Apart from that the statutory requirements and legal consequences apply.

(7) The limitation period specified above in Section 11 (17) also applies for the Customer's contractual and non-contractual damage compensation claims that are based on a defect in the Goods unless the application of the standard statutory limitation period would lead to a shorter limitation period in the individual case. The Customer's damage compensation claims in accordance with Section 12 (3) sentence 1 and sentence 2(a) as well as the Product Liability Act are subject to limitation exclusively in accordance with the statutory limitation periods.

(8) The exclusions and limitations of liability specified above also apply in the event of breaches of obligation by or for the benefit of persons for whose fault we are to be held responsible in accordance with statutory provisions. However, they do not apply for our liability due to willful act, for guaranteed property characteristics, due to injury to life, body, or health, or in accordance with the Product Liability Act.

Section 13 Data protection

In accordance with the Data Protection Act we draw your attention to the fact that the customer data received within the context of the business relationship will be stored by us exclusively for our own purposes and even with companies affiliated with us for the development of the business relationship. Personally identifiable customer data will not be disclosed to third parties. The Customer has the right to information as well as a right to correction, blocking, and deletion of the stored data about the Supplier. Inquiries regarding the exercising of these rights can be sent to the following address: deurne@aalberts-st.com

Section 14 Choice of law and jurisdiction

(1) Dutch law shall apply for these GTC of Processing and the contractual relationship between us and the Customer to the exclusion of international uniform law, particularly the Vienna Sales Convention.

(2) If the Customer is acting in the exercise of a profession or business, then our place of business in Deurne shall apply as the exclusive— even international — place of jurisdiction for all disputes arising from the contractual relationship. However, in all cases we also have the right to take legal action at the place of fulfillment of the delivery obligation in accordance with these GTC of Processing or of an overriding individual agreement or at the general place of jurisdiction of the Customer. Overriding statutory provisions, particularly on exclusive jurisdictions, remain unaffected.

(3) If individual provisions of the contract with the Customer including these GTC of Processing should be or become entirely or partially invalid, this shall not affect the validity of the other provisions. The entirely or partially invalid provision is to be replaced by a provision that corresponds to the unanimous desire of the parties.