

General Terms and Conditions of Delivery and Services

1. Scope of Application

1.1 Whenever in these General Terms and Conditions of Delivery and Services reference is made to:

- a) **Aalberts Surface Treatment** – it shall be understood as Aalberts Surface Treatment Sp. z o.o. based in Dzierżoniów, ul. Strefowa 5, 58-200 Dzierżoniów, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for Wrocław-Fabryczna, 9th Commercial Department of the National Court Register, under the KRS number 0000262776, with a share capital of: PLN 1,170,000.00, acting as the provider of Goods and Services referred to in these General Terms and Conditions of Delivery and Services,
- b) **the Ordering Party** – it shall be understood as an entrepreneur within the meaning of Art. 431 of the Act of 23 April 1964 – Civil Code (Journal of Laws 1964 No. 16, item 93, as amended), within the scope the Ordering Party purchases Goods or Services from Aalberts Surface Treatment for a purpose connected with the Ordering Party's business or professional activity,
- c) **the Subject Matter of the Agreement** – it shall be understood as the subject matter of the Agreement, depending on the legal nature of the Agreement, the Subject Matter of the Agreement can be, in particular, Goods, Services, sold items, works,
- d) **the Goods** – it shall be understood as goods listed in the Order Confirmation to be provided, sold or treated (processed in a technological surface treatment) by Aalberts Surface Treatment for the Ordering Party – under an agreement with the Ordering Party,
- e) **the Parties** – it shall be understood as Aalberts Surface Treatment and the Ordering Party jointly,
- f) **the Agreement** – it shall be understood as an agreement concluded between the Parties, which stipulates the rules governing the delivery of the Goods and provision of the Services by Aalberts Surface Treatment for the Ordering Party, an integral part whereof are the Order Confirmation and these General Terms and Conditions of Delivery and Services,
- g) **the Services** – it shall be understood as services (if applicable) provided by Aalberts Surface Treatment for the Ordering Party in compliance with the Order Confirmation,
- h) **the Order Confirmation** – it shall be understood as an order confirmation issued by Aalberts Surface Treatment for the Ordering Party, which constitutes a part of the Agreement and specifies, among others, the Goods and Services to be provided, remuneration to be paid by the Ordering Party and all additional conditions agreed by the Parties,
- i) **the Aalberts Surface Treatment Plant** – it shall be understood as the Aalberts Surface Treatment production plant located at the Aalberts Surface Treatment headquarters in Dzierżoniów, ul. Strefowa 5, Strefowa 5, the Order – it shall be understood as an order placed by the Ordering Party for provision of the Goods and/or Services by Aalberts Surface Treatment.

1.2 These General Terms and Conditions of Delivery and Services shall apply to all delivery agreements, sale agreements as well as agreements on provision of services by Aalberts Surface Treatment unless the agreement concluded by the Parties provides for otherwise. Conditions of the Ordering Party that are contrary to or differ from these General Terms and Conditions of Delivery and Services shall not apply unless the Parties have expressly agreed otherwise in writing. In particular, these General Terms and Conditions of Delivery and Services shall apply also when Aalberts Surface Treatment, despite being aware of the Ordering Party's conditions which are contrary to or differ from these General Terms and Conditions of Delivery and Services, does a given delivery or provides a service for the Ordering Party without reservation.

1.3 These General Terms and Conditions of Delivery and Services shall not apply to natural persons being consumers within the meaning of Art. 221 of the Act of 23 April 1964 – Civil Code (Journal of Laws 1964 No. 16, item 93, as amended)

2. Prices - Payment Conditions

2.1 Unless the Agreement or the Order Confirmation provide for otherwise, the quoted prices shall apply as EXW prices, packaging excluded; packaging shall be settled separately on an invoice. The prices quoted

are also exclusive of costs connected with the production of racks and tools mentioned in Article 6.6. of the General Terms and Conditions of Delivery and Services by the Ordering Party. The costs shall be settled separately on the invoice.

- 2.2 The prices quoted are net prices and are exclusive of VAT. The prices quoted shall be increased by VAT at the statutory rate applicable on the day when the invoice is issued. VAT shall be quoted separately on the invoice.
- 2.3 Unless the Order Confirmation provides for otherwise, the amount quoted on the invoice issued by Aalberts Surface Treatment shall be payable within 30 days of the invoice issue.
- 2.4 Payments may be set off by the Ordering Party against the receivables due to the Ordering Party from Aalberts Surface Treatment if the object of receivables are items of the same kind or money and if the receivables the Ordering Party is entitled to are due and may be pursued through courts or other state agencies. Aalberts Surface Treatment may refuse to hand over the Subject Matter of the Agreement or exercise the right of withholding if the Ordering Party does not pay Aalberts Surface Treatment the remuneration.

3. Obligations of the Ordering Party Regarding the Condition of Delivery – Base Materials Suitable for Coating

- 3.1 The Ordering Party undertakes to provide Aalberts Surface Treatment with elements to be coated in a condition suitable for coating. In this context suitable for coating shall mean, among others, that elements intended for electroplating are demagnetized and exhibit no defects regarding material, treatment or surface which could adversely affect the technical potential, corrosion protection, bonding with the base material and/or the appearance of the coatings. These include, for instance, in the case of details made of rolled products: cracks, porosity, components made of different materials, inclusions and duplication in the case of cast elements, sink marks and laps, cracks caused by shrinkage and notch effect, as well as eddying and voids. In particular, surface must be free from anticatalysts (such as zinc or sulfur), silicone, preservatives, lubricants and cutting agents.
- 3.2 The Ordering Party undertakes to inform Aalberts Surface Treatment about the following criteria:
 - 3.2.1 Composition of the material (regarding the structure, microstructure, strength, hardness, ductility, activity).
 - 3.2.2 Degree of purity (vital for the homogeneity of the structure, particularly important in the surface area)
 - 3.2.3 Condition of heat treatment, surface treatment and internal stress.
- 3.3 The Ordering Party shall ensure that heavy and large-size parts are equipped with proper transport protection as well as protective and transport devices. Furthermore, the Ordering Party shall observe regulations concerning load protection and transport safety.
 - 3.3.1 The Ordering Party shall ensure that elements to be painted are delivered as elements to be painted, with no attachments of other materials. The attachments may be destroyed or damaged during coating whether performed with or without proper protection. Therefore, Aalberts Surface Treatment bears no responsibility for damages arising therefrom.

4. Delivery Period

- 4.1 Delivery shall be done not earlier than all technical issues regarding the delivery or provision of services are clarified, including the delivery of parts mentioned in Article 3.1. of the General Terms and Conditions of Delivery and Services by the Ordering Party.
- 4.2 Aalberts Surface Treatment is obliged to do the delivery only if the Ordering Party fulfils Ordering Party's obligations towards Aalberts Surface Treatment in a timely manner and correctly. Aalberts Surface Treatment reserves the right to make objections and claims, including claims for compensation, against the Ordering Party in the event of non-performance or improper performance of the Agreement.

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Should the Ordering Party fail to fulfill their obligations within a set deadline, Aalberts Surface Treatment may withdraw from the Agreement without setting an additional deadline for the Ordering Party.

- 4.3 In the event of unforeseen circumstances that cannot be avoided despite due care exercised in order to perform the Agreement in conformity with the conditions thereof, which prevent timely delivery, of force majeure, strikes, riots, government actions, lack of supplies from Aalberts Surface Treatment's sub-suppliers, hampered operation of the Aalberts Surface Treatment plant for reasons not attributable to Aalberts Surface Treatment or hampered operation of Aalberts Surface Treatment's sub-suppliers' plants, which clearly significantly affects the performance of the Agreement, the delivery window shall be extended accordingly by the period the obstacle exists, even when the delivery is already delayed. If a delivery is impossible due to obstacles that prevent timely delivery referred to above, the Aalberts Surface Treatment's obligation shall expire, and the Ordering Party will not be entitled to any claims for redress of the damage arising from non-performance or untimely performance of the agreement by Aalberts Surface Treatment. Aalberts Surface Treatment shall inform the Ordering Party about events that rendered the delivery impossible. Aalberts Surface Treatment reserves the right to do partial deliveries. In the event fulfillment of the Aalberts Surface Treatment's obligation upon the lapse of the agreed deadline would be of no use for the Ordering Party due to the specificity of the obligation or the intended purpose of the agreement known to Aalberts Surface Treatment, the Ordering Party may withdraw from the agreement excluding any further claims. If obstacles that prevent timely delivery last longer than three months, each Party to the agreement may withdraw therefrom as regards the non-performed part.
- 4.4 If Aalberts Surface Treatment is late with fulfillment of the Aalberts Surface Treatment's obligation, the Ordering Party may set in writing an additional deadline for fulfillment thereof, and upon ineffective lapse of the time limit, the Ordering Party may withdraw from the Agreement in writing. The Ordering Party may withdraw from the Agreement in writing without setting an additional deadline when Aalberts Surface Treatment unequivocally and definitely refuses to fulfil the obligation or when due to Aalberts Surface Treatment's delay the service is no longer of any commercial importance for the Ordering Party within the meaning of Art. 492 of the Civil Code, and Aalberts Surface Treatment was aware of the purpose of the Agreement intended by the Ordering Party, or when there are other special reasons, which, after consideration of the Parties' interests, justify immediate withdrawal from the Agreement. Other statutory rights of the Ordering Party, in particular the right to substitutive performance, right to redress of the damage and the right of withholding shall be excluded.
- 4.5 Aalberts Surface Treatment shall be liable for a damage arising from delay in performance or inability to perform only when the damage was caused deliberately or due to gross negligence on the part of Aalberts Surface Treatment, persons that represent Aalberts Surface Treatment in conformity with the law or used by Aalberts Surface Treatment in conformity with the law to perform the Agreement, or willful gross violation of material contractual obligations. In all other cases the Ordering Party shall be entitled only to the right of withdrawal from the Agreement. Unless breach of contractual obligations was deliberate, Aalberts Surface Treatment shall be liable only for normal consequences of an action or omission that gave rise to the damage. Within those limits redress of a damage shall cover only those losses which the Ordering Party suffered and shall not cover benefits the Ordering Party could have gained if the damage had not happened. In accordance with the first and second sentences above, the limitations of liability shall not apply to damages arising from injury to life or limb or health, in which cases statutory rules regarding liability shall apply. Aalberts Surface Treatment shall not be liable for indirect or consequential damages.

5 Risk Transfer – Shipment – Packaging

- 5.1 Unless the Order Confirmation states otherwise, the delivery shall be

performed EXW in accordance with Incoterms 2010 –“loco Aalberts Surface Treatment Plant”. This term shall also apply to assumption and payment of transportation costs by Aalberts Surface Treatment or covering them in favor of the Ordering Party.

- 5.2 The risk of accidental loss or damage of the Subject Matter of the Agreement shall pass on to the Ordering Party on: the hand-over to a forwarder, a transporting entity, sending or dispatching, also when Aalberts Surface Treatment has assumed and paid the transportation costs or covered them in favour of the Ordering Party, whichever occurs first. If shipment is delayed due to reasons attributable to the Ordering Party, the risk of accidental loss or damage of the Subject Matter of the Agreement shall pass on to the Ordering Party once the Subject Matter of the Agreement is put at the Aalberts Surface Treatment plant at the Ordering Party's disposal.
- 5.3 Transport packaging shall be collected by Aalberts Surface Treatment at the Aalberts Surface Treatment headquarters within normal working hours. Recycling costs shall be borne by the Ordering Party.
- 5.4 The Ordering Party shall inform Aalberts Surface Treatment in writing if the Ordering Party wishes special kind of return transport of the coated elements and/or coverage by transport insurance, provided that the costs arising from the changes mentioned above are borne by the Ordering Party.

6 Ownership Reservation

- 6.1 The Goods shall remain the property of Aalberts Surface Treatment until the Ordering Party pays the entire remuneration for all the delivered Goods (the so-called Goods Subject to Retention of Title).
- 6.2 The Ordering Party shall have the right to resell the Goods Subject to Retention of Title in the course of normal business activity. However, already upon the conclusion of the Agreement and with no need for conclusion of additional disposing agreements, the Ordering Party shall transfer to Aalberts Surface Treatment all receivables which arise or will arise from resale to the Ordering Party's clients or third parties, regardless of whether the Goods were sold without processing or processed up to the value of amounts due to Aalberts Surface Treatment arising from an invoice (including VAT). The Ordering Party shall have the right to collect those receivables also upon the assignment made to Aalberts Surface Treatment. It shall not violate the Aalberts Surface Treatment's right to collect the receivables assigned by the Ordering Party on their own. Aalberts Surface Treatment undertakes not to commence any actions aimed at collection of the receivables if there is no objection to bills of exchange and checks, the Ordering Party fulfills their payment obligations with collected income, is not in arrears with payments, and, in particular, no bankruptcy proceedings have been instituted against the Ordering Party and no payments have been suspended. If this is the case, Aalberts Surface Treatment may demand that the Ordering Party provide Aalberts Surface Treatment with information on the receivables assigned and debtors, make available all information necessary to collect the receivables by way of judicial executive proceedings, hand over relevant documents and inform debtors (third parties) about the assignment. Failure to cancel this declaration when receivables due from an Ordering Party's debtor arise shall mean approval of the assignment of these receivables to Aalberts Surface Treatment in accordance with this article.
- 6.3 In the event the Goods Subject to Retention of Title delivered by Aalberts Surface Treatment are processed with other items or materials which do not belong to Aalberts Surface Treatment, Aalberts Surface Treatment shall acquire co- ownership of the new item in a ratio of the value of the Aalberts Surface Treatment's Goods Subject to Retention of Title to the value of other items processed at the moment of processing. Items resulting from such processing shall be subject to the same rules that govern the delivered Goods Subject to Retention of Title.
- 6.4 If the Goods Subject to Retention of Title provided by Aalberts Surface Treatment are mixed or combined with items that do not belong to

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Aalberts Surface Treatment so that that they cannot be separated, Aalberts Surface Treatment shall acquire co-ownership of the combined or mixed item based on the value of the Aalberts Surface Treatment's Goods Subject to Retention of Title and items combined or mixed at the moment of combining or mixing. If in the combining or mixing the Ordering Party's item is the main component, then the Ordering Party undertakes to transfer co- ownership of the item to Aalberts Surface Treatment proportionally. The Ordering Party shall retain such joint property thus produced for Aalberts Surface Treatment. Items resulting from combining or mixing shall be subject to the same rules as the supplied Goods Subject to Retention of Title.

- 6.5 Aalberts Surface Treatment undertakes to release, at the Ordering Party's request, the securities Aalberts Surface Treatment is entitled to, provided that the realizable value of the securities to be obtained exceeds the value of claims secured by more than 10%. The selection of securities Aalberts Surface Treatment can release shall rest with Aalberts Surface Treatment.
- 6.6 The amount arising from a VAT invoice issued to the Ordering Party shall include costs of production of the racks and tools necessary to deliver the Subject Matter of the Agreement. The racks and tools made or delivered by Aalberts Surface Treatment in connection with the Ordering Party's order shall remain Aalberts Surface Treatment's property. The Ordering Party shall return the tools and racks within four weeks of their receipt at the latest in an unchanged condition, without charging Aalberts Surface Treatment with any additional costs. The above provisions shall also apply to chemical substance containers, which the Ordering Party shall return Aalberts Surface Treatment in non-deteriorated condition, without charging Aalberts Surface Treatment with any additional costs, within four weeks of their receipt at the latest.

7 Acquisition of Ownership through Treatment or Processing of Items or Materials Provided

- 7.1 If the Ordering Party hands over to Aalberts Surface Treatment an item for treatment or processing, and the value of the treatment or processing to be performed by Aalberts Surface Treatment is lower than the value of the item handed over, Aalberts Surface Treatment shall acquire co-ownership of the processed item in a ratio of the value of the treatment or processing performed by Aalberts Surface Treatment (the final value quoted on an invoice, including VAT) to the value of the handed-over items or materials at the moment of processing.
- 7.2 In the event items or materials provided to Aalberts Surface Treatment are mixed or combined with items or materials that belong to Aalberts Surface Treatment in a way they cannot be separated, Aalberts Surface Treatment shall acquire co-ownership of the item in a ratio of the value of Aalberts Surface Treatment's items or materials to the value of mixed or combined items at the moment of combining or mixing.
- 7.3 If as a result of combining or mixing an item that belongs to the Ordering Party becomes the main item, it is agreed that the Ordering Party shall transfer to Aalberts Surface Treatment pro- rata co-ownership in a ratio of the value of treatment or processing performed by Aalberts Surface Treatment (the final amount quoted on an invoice, including VAT) to the value of the item made available at the moment of combining or mixing.
- 7.4 Articles 6.1 to 6.5 of the General Terms and Conditions of Delivery and Services shall apply to Ordering Party's items in which Aalberts Surface Treatment has acquired co-ownership pursuant to the above provisions.

8 Warranty – Liability for Breach of Obligations

- 8.1 If Aalberts Surface Treatment fulfils an Order based on the Ordering Party's drawings, specifications, designs, requirements, etc., the Ordering Party shall bear the risk of usability of documents provided for the intended use. As regards surface treatment, the Ordering Party shall also be liable for the accuracy and completeness of information required in accordance with Article 3, and also for treatment plans needed for the purpose of adjustment to the intended use.
- 8.2 If surface treatment is not successful for reasons not attributable to Aalberts Surface Treatment but attributable to the Ordering Party or

reasons the Ordering Party affected and Aalberts Surface Treatment was not aware or could not have been aware of hidden defects or unfitness of the items treated prior to surface treatment or could not have discovered them, or if the properties of the materials used, shape, surface finish or the condition of provided items treated rendered surface treatment impossible of which Aalberts Surface Treatment was not aware or could not have been aware, the Ordering Party shall pay the remuneration due for the treatment. The costs of the required additional treatment shall be settled separately.

- 8.3 Rights arising from the warranty for physical defects shall expire after one year of the day the Goods are handed over to the Ordering Party pursuant to the Agreement. The above shall not apply to claims for redress of a damage caused by injury to life, limb or health, and claims for redress of a damage caused by a deliberate action or gross negligence, and for actions taken by Aalberts Surface Treatment's representatives and persons Aalberts Surface Treatment uses in order to perform the Agreement concluded with the Ordering Party. They shall fall under the statute of limitations on dates stipulated by the law. The beginning of the limitation period is stipulated by statutory regulations.
- 8.4 The Ordering Party shall lose the rights arising from the warranty for physical defects if the Ordering Party fails to notify Aalberts Surface Treatment in writing about a defect within one month of its discovery.
- 8.5 If an acceptance inspection or examination of samples has been agreed with the Ordering Party, a complaint about defects shall be excluded if the Ordering Party was able to discover them prior to or during the acceptance inspection or examination of the samples with due care.
- 8.6 The Ordering Party shall enable Aalberts Surface Treatment to verify the reported defect in a place where the item is located at the time of notification. Aalberts Surface Treatment's responsibility shall not cover defects caused by the Ordering Party or third parties if the persons made unauthorized modifications or incorrect repairs.
- 8.7 When the Agreement is a task-specific contract, in the event of physical defects in the Subject Matter of the Agreement arising from improper or incorrect performance of the Subject Matter of the Agreement by Aalberts Surface Treatment, Aalberts Surface Treatment shall eliminate the defects free of charge, and when it is not possible on the materials provided to Aalberts Surface Treatment by the Ordering Party, Aalberts Surface Treatment shall return the Ordering Party the amount tantamount to the sum paid by the Ordering Party based on a VAT invoice issued. When the Agreement is a sale agreement, in the event of physical defects in the sold item for which Aalberts Surface Treatment accepts responsibility, Aalberts Surface Treatment shall be entitled to eliminate the defect or replace the Goods, at Aalberts Surface Treatment's discretion. If neither repair nor replacement of the Subject Matter of the Agreement is possible, the Ordering Party shall have the right to lower the agreed purchase price or the costs of the Service (reduction) or withdraw from the Agreement.
- 8.8 In the event of breach of contractual obligations other than defects in the Subject Matter of the Agreement for which Aalberts Surface Treatment bears responsibility, the Ordering Party shall have the right to terminate the agreement or withdraw from the agreement in accordance with statutory regulations.
- 8.9 Aalberts Surface Treatment shall be liable for damages arising from willful injury to life or limb or health in accordance with statutory regulations.
- 8.10 Aalberts Surface Treatment shall also be liable for damages arising from a deliberate action or gross negligence, including a deliberate action or gross negligence of Aalberts Surface Treatment's legal representatives or persons Aalberts Surface Treatment uses in order to perform the Agreement. Aalberts Surface Treatment shall also be liable for damages arising from willful breach of fundamental contractual obligations. Unless breach of contractual obligations was deliberate, Aalberts Surface Treatment shall be liable only for normal consequences of an action or omission that gave rise to the damage. Within those limits redress of a damage shall cover only those losses which the Ordering Party suffered and shall not cover benefits the Ordering Party could

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have gained if the damage had not happened.

- 8.11 Unless expressly provided for otherwise, Aalberts Surface Treatment's liability shall be excluded. Binding laws on liability for a dangerous product shall remain unaffected.

9 Joint and Several Liability

- 9.1 Aalberts Surface Treatment shall bear joint and several liability for damages in accordance with binding legal regulations. Aalberts Surface Treatment excludes Aalberts Surface Treatment's liability outside this scope.
- 9.2 The limitation referred to in Article 9.1 shall also apply to a situation when the Ordering Party applies for reimbursement of expenditures incurred instead of a claim for compensation.
- 9.3 If Aalberts Surface Treatment's liability for damages is excluded or limited, it shall also apply to personal liability of Aalberts Surface Treatment's employees and co-workers (including contractors), representatives and persons Aalberts Surface Treatment uses in order to perform the Agreement.

10 Jurisdiction – Governing Law – Place of Performance – Partial Invalidity

- 10.1 Any disputes arising directly or indirectly from contractual relations shall be settled by a court competent for the Aalberts Surface Treatment's headquarters.
- 10.2 The Polish law shall be the governing law; any and all provisions of the Agreement shall be construed in accordance with the Polish law. The application of the Hague Convention on the International Sale of Goods and the Convention on Contracts for the International Sale of Goods shall be excluded.
- 10.3 Unless the Order Confirmation provides for otherwise, the Aalberts Surface Treatment's headquarters shall be the place of performance.
- 10.4 Should any of the provisions of these General Terms and Conditions of Delivery and Services or any provision as part of other arrangements becomes invalid, this shall not affect the validity of the remaining provisions.

Information on the company:

Aalberts Surface Treatment Sp. z o. o. based in Dzierżoniów,
ul. Strefowa 5, 58-200 Dzierżoniów, Poland,
entered into the Register of Entrepreneurs of the National Court Register kept
by the District Court for Wrocław-Fabryczna, 9th Commercial Department of the
National Court Register, under the KRS number 0000262776, with a share capital
of: PLN 1,170,000.00

Managing directors: Matthias Kester, Jerzy Kluk

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