

**General Terms and Conditions of Purchase, Sale, and Delivery of Aalberts Surface Technologies Kft.**

**§ 1: General Provisions**

- I.  
The place of performance in all cases shall be the registered seat of Aalberts Surface Technologies Kft. in Tatabánya, Hungary.
- II.  
Contracts shall be read in accordance with the current legislation of the Republic of Hungary. The United Nations Convention on Contracts for the International Sale of Goods (CISG) signed on 17 July 1973 shall not apply.
- III.  
Our company stipulates the exclusive application of Hungarian procedural and substantive rules for all legal transactions. In the event of a court dispute, our Company stipulates the exclusive procedural jurisdiction of the District Court of Tata and the Regional Court of Tatabánya.
- IV.  
The General Terms and Conditions set out in the forms of the business partners of Aalberts Surface Technologies Kft. shall not apply. This provision also applies if Aalberts Surface Technologies Kft. does not draw special attention to this.
- V.  
All disclaimers shall be valid only in writing. Without a specific written order, the Company does not enter into any contract or commitment. A delivery note sent by the Customer also qualifies as a written order.
- VI.  
VI. Limitation period  
Unless otherwise provided, the limitation period for the claims of the contracting parties shall be governed by the statutory provisions.
- VII. Processing of personal data
1. Personal data will only be processed in accordance with the applicable data protection laws and regulations. The data is stored in the group's internal ERP system. This means that all companies in the Aalberts Surface Technologies Group (<https://www.aalberts-st.com/locations/>) have access to this personal information. This is necessary and in our legitimate interest because the companies within the Aalberts Surface Technologies Group work together and order goods/services centrally. Personal data will only be used for other purposes if the person concerned has consented to such use or has a legal authorization for such use.
2. In the event that personal data is transferred to us, the Customer is obliged to inform the relevant persons (data subjects) in a timely manner about our data processing in accordance with Article 14 of Regulation (EU) 2016/679 of the European Parliament and of the Council; we refrain from giving any information to the data subject. Upon request, we will provide the Customer with the information necessary to fulfil the information obligation under the previous sentence.

**§ 2: Prices, Payment Terms**

- I.  
The prices in the quotations, contracts and invoices are clearly stated in Hungarian forints or Euros, in net amount and do not include the applicable value added tax, and – unless the quotation or contract provides otherwise – any packaging costs and postage (parity: ex works).
- II.  
After the order, Aalberts Surface Technologies Kft. has the right to unilaterally change the price fixed in the quotation during the performance if, after the signing of the contract, there is an increase in the costs related to the order of more than 5% compared to the original amount.
- III.  
The invoice amount is due upon receipt, with the details on the invoice. Customer cannot offset its obligation to pay.  
In case of late payment by the Customer/Buyer, Aalberts Surface Technologies Kft. shall be entitled to charge the current interest applicable to operators on the outstanding amount in accordance with the provisions of the Civil Code of Hungary. If Aalberts Surface Technologies Kft. can prove that more damage has occurred in connection with the delay, it is entitled to enforce this as well.
- IV.  
Aalberts Surface Technologies Kft. reserves the right to increase prices, in accordance with the agreement, for contracts with a term of more than 4 months in line with the increase in costs incurred. If the price increase exceeds the agreed purchase price by more than 5%, the Customer is entitled to withdraw from the performance of the remaining part of contract.

**§ 3: Receipt of Goods**

- I.  
Each workpiece delivered for machining must be accompanied by an order or delivery note, which must include the following:
- a) The article number, description, number of pieces, net and gross weight and method of packaging of the delivered product, indicating the packaging units per box, the type and quantity of containers, the coating ordered;
  - b) The material quality (standard designation);
  - c) In the case of PFA/PTFE coatings, an indication that the product transferred is not suitable for heat treatment at 400 degrees Celsius;
  - d) The description of the pre-treatments carried out in advance by the Customer; and
  - e) All other information that may affect the processes of Aalberts Surface Technologies Kft.

#### § 4: Release of Goods; Transfer of Risks

I.

The contract or order between the parties is concluded when the contracting parties have clarified all the details and the Client has provided all the data and the product necessary for the performance of the contract.

II.

The following shall be considered delaying and coercive circumstances in relation to the delivery deadline already fixed in writing in advance: force majeure or reasons beyond the control of Aalberts Surface Technologies Kft. or its suppliers, e.g. disruption due to riots, strikes or exclusion of workers, loss of production, or default of the Customer. The delivery time shall be extended by the duration of the presence of obstacles to the performance of the contract and of the obstacle which arises in connection therewith, if compliance with the contractual delivery deadlines is temporarily limited by this disruption.

#### § 5: Warranty, Guarantee, Liability

I.

Treated workpieces are inspected at random before leaving the plant. Further inspection will only take place on the basis of a separate written agreement. The inspection carried out during delivery does not relieve the Customer from carrying out the necessary inspection on receipt of the goods.

II.

Workpieces are handled with due care. If the treatment is not successful, because the Client provided incomplete or incorrect data and Aalberts Surface Technologies Kft. did not or could not recognise the hidden defects of the workpiece before starting the treatment, or if the properties of the material or the shape or condition of the workpiece make it impossible to carry out the treatment successfully, then the Customer must pay the treatment fee even if it was not or could not have been aware of the circumstances described above. The costs of after-treatment, as well as the additional costs incurred by Aalberts Surface Technologies Kft. or the damage caused by the interaction of the unspecified properties and treatment materials, will be invoiced separately by Aalberts Surface Technologies Kft. to the Client.

III.

Deficiencies must be reported to the other party in writing without delay, but no later than 3 weeks after the transfer of risk. Hidden defects must be reported to Aalberts Surface Technologies Kft. immediately upon discovery, but no later than within 6 months from the date of the transfer of risk.

IV.

In the event of a quality complaint, Aalberts Surface Technologies Kft. shall be entitled to investigate the defect first and to carry out subsequent repairs/post-treatment.

V.

Warranty periods also apply to any after-treatment work.

VI.

The Customer is solely responsible for the accuracy and completeness of the details on the raw material. If the product provided by the Buyer differs in any way from the first sample, the Buyer must notify the Company in writing without delay. In the event of failure to do so, any additional costs and damages resulting therefrom shall be borne by the Buyer. In this case, Aalberts Surface Technologies Kft. is released from its warranty and guarantee obligations.

VII.

It is not possible to enforce claims in excess of those mentioned in present Terms of Delivery, unless the claims are due to deficiencies committed intentionally or through gross negligence by legal representatives, management or executive staff of Aalberts Surface Technologies Kft.

#### Rules on liability:

VIII. Aalberts Surface Technologies Kft. stipulates in connection with claims for damages against it that any claim for damages may be enforced against it only in respect of damages directly related to possible harmful conduct. The Company excludes its liability for collateral/consequential damages.

#### § 6: General Terms and Conditions of Purchase and Delivery:

I.

The purchase and delivery conditions of our company are valid only for transactions concluded with independent contractors or legal entities.

II.

The supplier undertakes to notify Aalberts Surface Technologies Kft. of the acceptance of orders within 1 week. The supplier shall send an order confirmation of the order within 2 days, indicating the price and delivery time. The supplier shall provide the Customer with information on possible expected delivery charges not yet included in the price at the time of ordering.

III.

The price specified in the order shall be binding. This price does not include statutory sales tax.

IV.

The delivery deadline specified in the order shall be binding. In case of delivery delay, Aalberts Surface Technologies Kft. is entitled to charge penalties for delay, the rate of which is one percent of the delivery amount for each completed week, but in total may not exceed 12% of the delivery amount. The Company reserves the right to further legal claims, e.g. claim for damages.

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Management: Ferenc Pusztai

V.

Aalberts Surface Technologies Kft. shall be obliged to carry out a quantitative inspection of the goods within a period of 15 days. A quality objection will be raised in due time if the objection is communicated immediately after the error is detected, regardless of the above deadline.

VI.

Aalberts Surface Technologies Kft. has the right to enforce warranty claims without restriction. Aalberts Surface Technologies Kft. is nevertheless entitled to request from its suppliers the correction of the defect or a replacement delivery. In this case, the cost of repairing the defect or the cost of replacement shall be borne by the supplier. Aalberts Surface Technologies Kft. reserves the right to claims for damages. The warranty period is normally 6 months from the transfer of risk. In the case of hidden defects, the warranty period is 1 year from the transfer of risk, while in the case of products manufactured for prolonged use, the warranty period is 3 years from the transfer of risk.

VII.

If Aalberts Surface Technologies Kft. makes a lawful product liability claim due to a defect in the goods delivered by the supplier, the supplier shall release Aalberts Surface Technologies Kft. from its product liability obligation arising from this defect and shall be liable for the defective goods.

## § 7: Special Amendments

### A/ Special Amendment to General Terms and Conditions of Sale and Delivery:

1. Our general terms and conditions of sale and delivery only apply to our customers.

1.1. Our deliveries, services and offers are made exclusively in accordance with present General Terms and Conditions of Sale and Delivery. We will not acknowledge any Terms and Conditions of the Customer that conflict with or deviate from our General Terms and Conditions of Sale and Delivery, unless their validity is expressly agreed in writing. Our General Terms and Conditions of Sale and Delivery shall apply if we deliver to the Customer without any stipulations or with the obligatory acceptance of the Customer's purchase conditions in the orders, although we are aware of any Terms and Conditions of the Customer that conflict with or deviate from our General Terms and Conditions of Sale and Delivery.

#### 2. Offers – Offer documents

2.1. Our offers are made without obligation, are not binding and are subject to prior sale, unless they are explicitly made binding. The ordering of the goods by the Customer shall be considered a binding contract offer. Unless otherwise stated in the order, we are entitled to accept this contract offer within three (3) weeks of receipt.

2.2. We consider the documents (specifications, drawings, samples, 3D models, design files, etc.) provided by the Customer to be real and binding. Customer shall be responsible for the correctness, technical feasibility and completeness of the content of these documents, which we are not obliged to check and/or inspect.

2.3. We reserve the rights and copyrights for illustrations, drawings, calculations and other documents. This also applies to written documents that we mark as "confidential". Customer may not transfer these documents to third parties without our express written consent. Upon request, Customer shall be obliged to return these items in full to our Company and to destroy all copies made if they are no longer required in the normal course of business or if negotiations do not lead to the conclusion of a contract.

#### 3. Prices – Payment Terms

3.1. Our prices are ex works prices unless otherwise agreed (based on Incoterms 2010 or their respective versions in force).

3.2. Our offer prices are net prices, they do not include value added tax; this is indicated separately on the invoice with the statutory tax rate valid at the time the invoice is issued.

3.3. Unless otherwise specified in the order confirmation, our invoices contain net amounts and are due and payable within 14 days of the invoice date and receipt.

3.4. The Customer shall not be entitled to withhold payments on the basis of counterclaims and claims for compensation, unless such counterclaims have been recognized by us, are uncontested or have been established by a final, unappealable court judgment (res judicata). The Customer's counterclaims arising from or out of errors or non-performance and/or unfinished or incomplete performance in the same contract shall remain unaffected.

#### 4. Obligations of the Customer regarding the delivery conditions – raw materials suitable for surface treatment

4.1. The Customer undertakes to provide the parts to be coated in a condition suitable for surface treatment. In this context, the term "surface treatment" includes, but is not limited to the following: the parts to be surface-treated must be demagnetised and must not be contaminated with graphite or silicone-containing material, they must be free from defects in workmanship or surfaces which could adversely affect the technical functions, the corrosion protection, the adhesion to the substrate and/or the external appearance of the coatings. Examples of such defects are cracks, pore groups, components of various materials, inclusions in the case of parts made from rolled products, immersion and welding marks, shrinkage and inclusions in the case of three-dimensional cracks or castings. In particular, the surfaces must be free of anti-catalysts (such as zinc and sulphur), silicone, preservatives, lubricants, release agents and cutting agents.

4.2. Customer undertakes to provide us with information on the following criteria:

4.2.1. Material composition (crystal structure, strength, hardness, bendability, and activation capability, which are key for the screen type).

4.2.2. Degree of purity (key to product homogeneity, especially important in surface treated areas).

4.2.3. Heat treatment and surface treatment conditions and internal tensions.

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4.3. The Customer shall be obliged to ensure that adequate protection, fastening and means of transport are provided for heavy and bulky parts during transport. In addition, the Customer shall comply with cargo and transport control security standards.

4.4. The customer is obliged to ensure that only the parts to be coated are delivered and that no other parts are attached to the part to be coated. Components sent for surface treatment assembled may be destroyed or damaged during the coating process with or without masking, therefore we accept no liability for any resulting damage. In this case, surface treatment of sample parts is strongly recommended.

#### **5. Delivery deadlines**

5.1. Unless otherwise expressly agreed, the delivery deadlines given shall be only approximate and informative. The delivery period will only start once all the details of the execution of the order have been clarified and the terms of the order have been jointly agreed by the two parties. All agreed delivery deadlines will be postponed accordingly.

5.2. A further precondition for the fulfilment of our delivery obligations is the fulfilment of the Customer's obligations in a timely and appropriate manner, in particular, the timely delivery of the parts to be coated in a condition suitable for coating in accordance with Clause 4 of present General Terms and Conditions of Sale and Delivery, and in the event that we have to perform the contract in accordance with the drawings, specifications, samples, figures and other documents of the order, the timely and complete delivery of the documents to be delivered by the Customer.

5.3. If operational obstacles occur for which we are not responsible and we fail to meet the agreed delivery deadlines due to force majeure, pandemic, local epidemic, labour union disputes, government actions, energy or raw material shortages, transportation obstacles and disruptive conditions such as fire, flood, storm, earthquake and/or unavoidable machine failures, or due to other disturbances in our facilities or in the facilities of suppliers or subcontractors for which we are not responsible and which prove to have a significant impact, and we are prevented from performing our operations, then we are obliged to notify the other party immediately. In such cases, we are entitled to extend the delivery period by the duration of the force majeure or disturbance, if we have informed the Customer in accordance with the above information obligation. If, as a result of the above, delivery becomes impossible, our delivery obligation becomes void with the exclusion of claims for damages. If the Customer proves that the subsequent performance of the contract becomes irrelevant to it as a result of the postponement, it may terminate the contract with the exclusion of any further claims. If the force majeure or disruption lasts for more than one month, we may terminate the contract for the part that has not yet been performed, if we have notified the Customer in accordance with the above information obligation and if we have not assumed the delivery risk or provided a delivery guarantee.

5.4. Clause 5.3 shall apply mutatis mutandis if, prior to concluding the contract, we entered into a hedging transaction with the Customer which, if properly executed, would have enabled us to fulfil our contractual obligations to the Customer and our suppliers have delivered incorrectly and/or late without fault on our part.

5.5. If we are in default, the Customer is entitled to specify another reasonable period in writing and, if the said period expires without result, to terminate the contract.

5.6. Our company is only liable for damages in accordance with § 5 Clause VIII of present General Terms and Conditions of Sale and Delivery. The Customer's right to withdraw from the contract is regulated by legal provisions.

5.7. In case of urgent needs (within the delivery deadline), the Customer is obliged to consult with the contact person of Aalberts Surface Technologies Kft. Requests to modify the production plan can only be requested and authorized in writing by both parties. If Aalberts Surface Technologies Kft. is able to meet the Customer's needs within the deadline requested by the Customer, the Customer has to pay a fee of approximately EUR 400/hour (for a minimum of 4 hours) for the duration of the process for that product. Our company informs the Customer individually, in writing, about the additional costs of urgent needs for a specific product.

#### **6. Risk transfer – Dispatch of goods – Packaging**

6.1. Unless otherwise agreed in the order confirmation or in the offer accepted by the Customer, the EXW delivery (according to the relevant versions of Incoterms 2010 in force) shall be deemed to be the agreed delivery. The place of delivery and the place of performance is our factory specified in the order confirmation or, if this is not specified, our factory fulfilling the order. This also applies if our Company has undertaken the delivery costs or we have paid them in advance to the Customer or if partial deliveries take place.

6.2. If the agreement is for the dispatch of goods, the risk of possible loss of or damage to the goods shall pass to the Customer upon delivery of the goods to the carrier or other person or to the institution entrusted with the performance of the dispatch of the goods. This also applies if our Company has undertaken the delivery costs or the costs have been paid in advance to the Customer, or if partial deliveries take place. If the dispatch or delivery of the goods is delayed due to reasons attributable to the Customer, the risk passes to the Customer on the day on which the goods are ready for dispatch and we have notified the Customer thereof.

6.3. Reusable packaging must be returned to our premises during normal business hours.

6.4. The Customer is obliged to inform us in writing if it requests a special method of delivery and/or coverage by a delivery insurance policy for the return of the treated parts; the Customer is obliged to cover the costs incurred in this way, even if – otherwise, exceptionally – we have undertaken the delivery costs.

6.5. We have the right to make partial deliveries if they are acceptable to the Customer, taking into account the interests of the Customer.

6.6. If the Customer is in default with the receipt or if the delivery is delayed due to reasons attributable to the Customer, we have the right to claim compensation for the resulting damages and, if any, additional costs. In these cases, the goods are stored at the risk of the Customer and such storage is invoiced to the Customer.

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#### **7. Acquisition of ownership by machining or processing goods delivered to Aalberts Surface Technologies Kft.**

7.1. If the Customer hands over an article for machining or processing (surface treatment) and if the Customer remains the sole owner of the machined or processed goods even after machining or processing, then here and now it is agreed that the Customer will transfer to us proportional co-ownership in proportion to the value of the machining or processing (final invoice amount including VAT) in relation to the value of the goods made available at the time of processing.

7.2. If the article is mixed with or coupled to our goods/materials in the course of machining or processing in such a way that they become essential components of a single article, we acquire co-ownership of the new article in proportion to the value of our goods/materials in relation to the value of the goods made available to the Customer at the time of mixing or coupling.

7.3. If the coupling or mixing takes place in such a way that the Customer's item is considered to be the main item, it is hereby agreed that the Customer shall transfer to us a proportionate joint ownership in proportion to the value of our machining or processing (final invoice amount including VAT) in relation to the value of the goods made available at the time of mixing or coupling.

#### **8. Warranty - Liability for Default**

8.1. Unless otherwise specified below, the statutory provisions apply to the Customer with regard to quality defects and property rights (including incorrect and incomplete delivery).

8.2. If the contract is to be performed in accordance with the drawings, specifications, samples or figures provided by the Customer, it bears the risk of suitability for the intended use. The Customer is responsible for ensuring the correctness and completeness of the information required for surface treatment in accordance with Clause 4 of present General Terms and Conditions of Sale and Delivery and in accordance with Clause 2.2 of present General Terms and Conditions of Sale and Delivery, and for ensuring that the instructions for use be applied.

8.3. If the surface treatment has failed due to reasons beyond our control and responsibility, e.g. because the information provided by the Customer in accordance with Clause 4 of present General Terms and Conditions of Sale and Delivery was incorrect, because we did not or could not have known the hidden defects in the article before the surface treatment or because the properties of the material, its shape, surface conditions or the condition of the delivered parts made the successful surface treatment impossible and we did not and could not have known about it, the Customer is still obliged to pay for the surface treatment. All necessary follow-up work and any derived damages must be invoiced separately in accordance with the above conditions.

8.4. The precondition of the Customer's right to warranty claims under this contract is that the Customer has duly fulfilled its statutory inspection and error reporting obligation.

8.5. If we agree with the Customer on an acceptance check or a first sample check, the complaint about defects that the Customer could have discovered during a careful acceptance or first sample check (approval) shall be excluded.

8.6. We should be given the opportunity to investigate any complaints complained of on the spot. In the event of unauthorized modifications or improper repairs to the goods by the Customer or third parties, all warranty claims relating to these and the consequences thereof shall be excluded.

8.7. If the surface treatment of the delivered goods is defective, the Customer shall be entitled to the following legal rights:

(i) First, our Company is entitled to correct the defect, or to deliver faultless replacement goods to the Customer, or, in the case of a contract for work and services, to surface-treat a new workpiece (subsequent performance). The Customer is obliged to provide the necessary time and opportunity for this. Our right to refuse to provide subsequent performance under the conditions prescribed by law remains unaffected.

(ii) Our Company will bear the costs necessary for subsequent performance, including shipping, labour, materials and duties, provided the goods are actually found to be defective. If the Customer's request to rectify the defect proves to be unfounded, we have the right to demand reimbursement of the costs incurred as a result of the unfounded request. If the Customer was already aware of the defect during installation/assembly, or if the installation/assembly was performed incorrectly, our Company will not disassemble the defective product, nor will it be reinstalled or reassembled as part of its obligation to provide subsequent performance. This also applies if the Customer did not recognize the defect due to gross negligence prior to installation/assembly.

(iii) Within the framework of a contract for work and services, in case of replacement delivery or new production, the Customer is obliged to return the defective goods upon request.

(iv) We have the right to make a subsequent performance depending on whether the Customer pays a specified price for the delivered goods. However, the Customer has the right to withhold the appropriate part of the price.

(v) If the subsequent performance is not fulfilled, the Customer has the right to terminate the contract or may request a reduction of the agreed purchase price. However, in the event of a minor defect, there is no right to terminate the contract.

#### **9. Rights to cancel/terminate the contract**

9.1. The Customer is only entitled to terminate the contract with reference to the error caused by us if our Company can be held liable for such a breach.

9.2. After the termination of the contractual relationship or 60 calendar days after the termination of the regular orders on the part of the Customer, Aalberts Surface Technologies Kft. is entitled to destroy the Customer's products, samples and storage devices stored under such a title.

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**§ 7: Special Amendments:**

**B/ Special Amendment to General Terms and Conditions of Purchase**

1.1. Our general terms and conditions of purchase only apply to business relationships with our suppliers; we will not accept Supplier's terms and conditions that are in conflict with or deviate from our General Terms and Conditions of Purchase, unless we have consented in writing to their use. Our General Terms and Conditions of Purchase also apply in the event that we accept delivery without reservation in the knowledge of the Supplier's conflicting or different terms and conditions.

1.2. Our General Terms and Conditions of Purchase apply to all our Suppliers.

**2. Requests for quotations, offers, orders**

2.1. Present General Terms and Conditions of Purchase also apply to requests for quotations. Our requests for quotations are not binding.

2.2. When submitting an offer, the Supplier must adhere to our request for quotation, deviations from the specifications, if any, in our request for quotation should be clearly noted. Our offers are prepared and handed over at no cost to us and there is no commitment on our part to accept them. Without appropriate written agreement, we will not pay for visits, development of plans, drawings or the like.

2.3. Our orders are only binding when they are issued and confirmed in writing.

2.4. If we have expressly waived the confirmation of the order, the Supplier is obliged to confirm to us in writing all orders within a period of one week, thus giving the binding delivery time. Late acceptance of our order or acceptance with modifications shall be deemed to constitute a new offer for the conclusion of the contract and shall require acceptance by us.

2.5. To ensure consistent and predictable product quality, Supplier may not make changes to the manufacturing process, or in the processes, composition, function or appearance of chemicals, raw materials or other elements used during the manufacture of the contract products without our prior written consent. It is in our sole discretion whether or not to grant such consent.

**3. Prices and payment terms**

3.1. The prices indicated in the order are binding. All prices include statutory sales tax, unless the latter is stated separately.

3.2. Unless otherwise agreed from time to time, the price shall be considered to include all supplies and services provided by the Supplier and additional services (e.g. installation and assembly) as well as all additional costs (e.g. appropriate packaging and transport costs and, where applicable, including transport and liability insurance). The supplier is obliged to accept the return of the packaging material upon our request.

3.3. If it has been agreed that the packaging shall be paid separately, such costs shall be paid upon return of the paid packaging, unless these costs have already been invoiced to the Supplier.

3.4. Invoices must be issued separately for each order after the goods have been shipped, indicating our order number and the name of the item and the item number. If the Supplier fails to comply with one or more of these requirements, thereby causing a delay in the processing of our invoice in the normal course of business, the payment periods specified in Clause 3, Paragraph 5 shall be extended accordingly.

3.5. Payment will be made either within 14 days with a 3% discount or within 30 days without deduction, unless otherwise agreed from time to time. The payment period starts from the receipt of the corresponding invoice or, if the goods arrive after receipt of the invoice, from the arrival of the goods. Our payment is considered to have been made on time if our bank receives our transfer order before the payment deadline.

3.6. In case of late payment, the legal provisions apply.

**4. Offsetting, right of retention, transfer**

4.1. We have a right of set-off and withholding as provided by law. The Supplier shall have the right to invoke the right of set-off or withholding only if the claim made by it is based on an indisputable or admissible or final unappealable court decision (res judicata).

4.2. The transfer of claims that may be made against us requires our express written consent.

**5. Delivery time**

5.1. The delivery date specified in our orders are binding. If the delivery deadline is not indicated in the order and this has not been agreed otherwise, one week from the conclusion of the contract shall be considered as such. Supplier shall notify us immediately in writing in the event that, for any reason, it is probable that it will not be able to meet the agreed delivery time.

5.2. If Supplier fails to fulfil its contractual obligations or perform within the agreed delivery time, or if Supplier is in default, we have the right to enforce the rights and claims provided by law, including the right to withdraw from the contract and the right to compensation. The provisions of paragraph 5.3 remain unaffected.

5.3. If Supplier is in delay in delivery, we have the right to enforce against the Supplier any damages caused by the delay and unforeseen at the time of concluding the contract.

**6. Delivery, place of performance**

6.1. Unless otherwise agreed, Supplier shall not be entitled to engage third parties (e.g. subcontractors) to supply deliveries, work or services that Supplier is required to provide to us without our consent.

6.2. Transportation shall be made by DDP conditions to supply (based on Incoterms 2010 or their respective versions in force) unless otherwise agreed.

6.3. The place of performance of the delivery obligation is the place/centre of collection indicated by us. If no specific place of performance is specified, the place of performance shall be deemed to be the registered seat of the Tatabánya plant ordering the goods.

6.4. In the absence of a specific agreement, the risk shall be deemed to be transferred to our Company upon delivery to the agreed collection location/centre. If, on the other hand, a specific agreement is reached that an official receipt of the goods must take place, the risk is transferred to our Company upon such official receipt.

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6.5. All shipments must be accompanied by a goods accompanying document and a delivery note that includes our order number, the item name and item number. In addition, a separate shipping notification must be emailed to us. If the Supplier fails to comply with one or more of these requirements, the resulting delay shall not be attributable to Aalberts Surface Technologies Kft.

6.6. In the event of non-collection on our part, the Supplier shall clearly offer performance even if all actions, cooperation or assistance to be performed or to be provided by us (e.g. making the material available) have been agreed within a specified or determinable calendar time. If we are in delay in collection, Supplier shall be entitled to claim reimbursement of any additional costs incurred as a result thereof, in accordance with legal provisions. If the contract is for non-substitutable goods to be manufactured by the Supplier (custom-made goods), the Supplier is only entitled to claim additional rights if we have undertaken to cooperate or provide assistance and failure to do so is attributable to our Company.

#### **7. Inspections, notification of the error**

The delivered goods will be inspected for quantity, type, and obvious damage such as special shipping damage within 15 days of receipt and we will notify the Supplier immediately of any defect or damage detected. Defects detected later must be reported immediately after detection. In all cases, the notification of the defect shall be deemed to have been made immediately and thus in due time if the Supplier receives it within 10 working days from the receipt of the goods or in case of hidden defects.

#### **8. Warranty and liability**

8.1. Unless otherwise agreed, our rights in the event of a defect in the quality or ownership of the goods (including wrong/incorrect shipments and incomplete shipments, as well as improper installation or insufficient instructions for installation, use or operation) and our rights in the event of any breach of contract by the Supplier shall be governed by legal provisions.

8.2. According to the legal provisions, the Supplier is especially responsible for ensuring that the goods comply with the agreed quality at the time of the transfer of risk to us and that the goods also comply with current standards. Unless otherwise agreed, the product specifications shall be deemed to be the basis for the agreed quality within the meaning of the former, which, in particular with the specifications or references made in our order, become part of the relevant contract or are included in the contract in the same way as present Terms of Purchase. In this context, it makes no difference whether the product specifications come from us, the Supplier or the manufacturer.

8.3. The Supplier guarantees that the products and services it delivers comply with applicable environmental legislation, in particular the RoHS directives and REACH regulations, and current energy efficiency standards.

8.4. The costs incurred by the Supplier in connection with subsequent performance (including dismantling/disassembly and reinstallation/reassembly) shall be borne by the Supplier. This also applies if we find that the goods are not actually defective. In the event that our request to rectify the defect proves to be unfounded, we will only be liable for damages if we were actually aware of the defect in the goods or due to gross negligence were unaware that the goods were defective.

8.5. If the Supplier fails to fulfil its subsequent performance obligation within the grace period specified by us, we have the right to eliminate the defect ourselves and to require the Supplier to reimburse the cost necessary for this purpose and demand an appropriate advance payment.

If the Supplier refuses to provide subsequent performance or if the contract is for a fixed date transaction, or if the Supplier's subsequent performance is unsuccessful or unreasonable to us (for example due to special urgency of the matter, endangerment of work safety or excessive damage), we do not have to grant a grace period; the Supplier shall be informed immediately, or in advance, if possible.

8.6. If we are liable to anyone for a product defect due to defects in the goods delivered by the Supplier, The Supplier is obliged to immediately release our Company from all claims of the third party, i.e. the claim is transferred to the Supplier in its entirety. Furthermore, the Supplier is obliged to release the Customer from all claims for damages and guarantees – the Supplier owes compensation to our Company – if such claims are based on a defect in the goods or services delivered by the Supplier or were caused by the intentional or negligent conduct of the Supplier or one of its authorised agents or other persons authorised by the Supplier with the performance of its obligations; this also applies to all consequential damages and costs incurred.

8.7. The Supplier shall ensure that it maintains an up-to-date quality assurance system appropriate in its nature and scope and shall provide appropriate certification upon request.

8.8. The Supplier also guarantees that its deliveries comply with occupational safety regulations and statutory accident prevention regulations. The Supplier guarantees that the necessary safety devices are available with the goods, even if certain specified parts that are necessary for proper and error-free operation are not specified in the order.

#### **9. Counterclaim against Supplier**

9.1. Without limitation, we have the right within the supply chain to the right to submit a counterclaim to which we are entitled by law, in particular, we may demand from the Supplier exactly the type of subsequent damages that our Company must provide to the Customer.

9.2. We may also enforce our right to submit a counterclaim against the Supplier if the goods have been processed by us or one of our customers before they are sold, e.g. by installing it into another product.

#### **10. Product liability, compensation transferring statement**

10.1. If the Supplier is liable for the damage caused by the delivered product, the Supplier is obliged to pay the compensation in full to the third party.

10.2. Within the scope of the exemption obligation under Clause 10.1, the Supplier shall be liable for the reimbursement of all costs incurred in connection with the enforcement of rights by third parties.

Aalberts Surface Technologies Kft.

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10.3. The Supplier is also obliged to bear the cost of the precautions to be taken and to compensate for any damage or loss incurred as a result, provided that the reason for the precautions is within the Supplier's control and organizational area and the Supplier is directly liable to a third party. Where possible and appropriate, before taking precautions, we shall inform the Supplier of the reason, nature and extent of the proposed action and give it the opportunity to make comments. The precautions apply to measures that do not apply to certain of our individual defective products, but to a large number of our products, such as recall and modification or redesign measures.

10.4. The Supplier undertakes to obtain and maintain a product liability insurance with the lump sum cover required by the Customer for each case of personal injury/property damage. Supplier is obliged to provide us with a copy of this insurance policy at any time upon request.

#### **11. Manufacturing documents and manufacturing equipment**

11.1. We hand over the manufacturing documents to the Supplier as our own property, so they cannot be used for purposes other than our orders. Once the order has been completed, these documents must be returned with all copies. These documents may not be used for any other purpose, copied, reproduced or made available to third parties unless necessary for the proper performance of the contract from time to time.

11.2. The above provision accordingly applies to the components and materials provided by us (e.g. software, semi-finished and finished products), as well as to the tools, models, specimens, samples and other items provided by us to the Supplier for manufacturing purposes. These items may not be used for purposes other than the manufacture of the goods we have ordered. Until the abovementioned items are used, they shall be kept and stored separately and protected from possible destruction and loss. Supplier shall already transfer to us all claims for damages under the said insurance in respect of the items made available to us; and we hereby accept the transfer. The Supplier shall perform all possible servicing and maintenance of the items, as well as repair and maintenance work in a timely manner at its own expense. The Supplier shall notify us immediately of any malfunctions, downtime or errors.

11.3. The Supplier is required to keep all technical and commercial documents provided by us strictly confidential, and to oblige its employees and subcontractors to keep the documents confidential accordingly. The obligation of confidentiality does not apply if the information is already generally known or was known to the Supplier before we disclosed them.

The same applies if, after disclosure by us, the information becomes known without breach of contract or disclosed by a third party without breach of the obligation of confidentiality by such third party or if the content of the information is developed by the Supplier independently of the information we disclosed or if we disclose the information or the information shall be disclosed pursuant to legislation. Violation of this obligation of confidentiality may be the basis for compensation for damages.

#### **12. Retention of title, provisions**

12.1. If we provide parts to Supplier, we retain ownership of them. Any processing or modification by Supplier shall be deemed to have been made to us and on our behalf. If the goods subject to our retention of title are processed with other goods that do not belong to us, we receive the co-ownership of the new item and thus share ownership in proportion to the value of our item (purchase price + VAT) at the time of processing.

12.2. If the goods we provide is inseparably mixed with other goods that do not belong to us, we acquire co-ownership in the new item thus created, thus dividing the ownership in proportion to the value of the goods made available (purchase price + VAT) subject to the retention of title in relation to the value of the other mixed goods existing at the time of mixing. If the goods are mixed in such a way that the Supplier's goods are considered to be the main item, the parties shall be deemed to have agreed that the Supplier shall transfer proportional co-ownership to us; the Supplier shall be deemed to retain for us the goods which are the sole or joint property of us.

12.3. Ownership of the goods shall be transferred to us unconditionally, regardless of the payment of the purchase price. In exceptional cases, our company accepts the Supplier's offer to transfer ownership subject to the payment of the purchase price, then the Supplier's retention of ownership is valid only if it applies to our payment obligations for the relevant product title retained by the Supplier. In this case, we have the right to resell the goods in the normal course of business before the purchase price is paid, subject to the transfer of the claim arising from the resale to the Supplier. Extended or transferred retention of title and retention of title for the extension of ownership to the reprocessing of goods are excluded.

#### **13. Documents under foreign trade law, export restrictions**

13.1. Supplier shall provide all documents required by us under foreign commercial law, such as certificates of origin and Supplier's declarations together with all the necessary information and duly signed.

13.2. Supplier will notify us if the item to be shipped is subject, in whole or in part, to an export restriction under German or any other foreign (e.g. US) commercial law.

#### **14. Industrial property rights**

The Supplier is responsible for ensuring that the patents or other industrial property rights of third parties are not infringed by the goods delivered by the Supplier or the intended and proper use of the delivered goods and/or the work created by it. Supplier undertakes to indemnify our Company against all claims of third parties based on the violation of the said rights and to indemnify us in any other respect. This does not apply where the specific infringement of industrial property rights is not attributable to the Supplier. The Supplier's obligation to indemnify applies to all costs incurred by us as a result of or in connection with the enforcement of claims by third parties.

Tatabánya, 04 February 2021

Aalberts Surface Technologies Kft.

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