

General Terms and Conditions of Business
of
Euromat® GmbH, Baesweiler-Germany
– Industrial Surface Solutions –

1. Scope of the order

The scope of the order is determined by the written order confirmation from Euromat GmbH. Until then all offers issued by Euromat GmbH are non-binding without obligation.

Offers as well as drawing and other documents belonging to it remain unlimited copyright of Euromat GmbH. They may only be copied or handed to third parties after prior written permission of Euromat GmbH.

2. Processing deadlines

Euromat GmbH will make efforts to meet the processing deadlines indicated on the order confirmation. If this is not possible for reasons which Euromat GmbH can justify, then Euromat GmbH will inform the customer that the deadlines are delayed – stating the reasons if required – and carry out the processing work within a period of time which is reasonable under the circumstances.

3. Placing of orders

The order must contain all important details such as item description, amount, measurements, weight, material description, pre-treatment as well as treatment and inspection instructions.

The necessary technical documents for the treatment must be given to Euromat by the customer either via letter, fax or e-mail. Euromat will not face problems due to missing, false or imprecise information.

4. Payment

The payment due to Euromat GmbH is determined by the agreement between the parties at the time when the order is placed. It is exclusive of statutory value added tax, charges and costs, particularly transportation and packaging charges and travelling expenses.

When the order is placed, Euromat GmbH is entitled to require payment from the customer of 30 % of the expected total payment, excluding charges and costs. Euromat GmbH may require further payments from the customer in accordance with the progress of the order and the individual stages of development, until the remainder amounts to 10 %. The remainder of 10 % is due for payment upon completion of the development order and/or acceptance of the items which have been developed.

Services which are not included will be invoiced separately.

Charges and costs must be paid to Euromat GmbH by the customer after they arise. Amounts payable by Euromat GmbH can only be offset against amounts owing to the company if they are undisputed or if they have been confirmed as legally enforceable by a court order.

If the customer does not keep the terms of payment Euromat GmbH can take advantage of their right of retention of goods still in production or finished products still in their possession.

The customer bears the risk of damage or loss for the retention goods. Euromat GmbH is not forced to insure them.

If the customer does not settle the outstanding claims within 60 days, Euromat GmbH is allowed to sell the retained goods freehand after informing the customer of it.

5. Results of the order and/or the work

The results of the development belong to the customer for his non-exclusive use, in accordance with the scope of the order which has been placed and paid for. In order for the customer to have exclusive rights over the results of the development process, a special prior contractual agreement to this effect is required between the customer and Euromat GmbH.

Euromat GmbH is entitled to submit a patent application (invention) in relation to the results of the development process and/or the intermediate results, as long as the inventions took place at EUROMAT GmbH. If Euromat GmbH does not make use of this opportunity to apply for a patent, Euromat GmbH will inform the customer of this, so that the customer can apply for a patent instead. At the same time Euromat GmbH may reserve a non-exclusive right to use the invention underlying the patent application, free of charge.

Euromat GmbH holds the property of all results of the order and the development process until all payments and other obligations of the customer resulting from this order are fulfilled.

6. Third party patents

The customer and Euromat GmbH are both obliged to inform each other without delay of

any conflicting third party patents. The contracting party which fails in a culpable way to meet this obligation, must indemnify the other party for third party claims against the latter party. The parties will conclude a separate agreement concerning collective action/defence against third party claims, and will do whatever is necessary and refrain from conflicting activity in order to reduce the damage.

7. Interruptions of the work

The consequences of interruptions in the work are determined according to the usual rules, according to the criterion that the level of difficulty and the size of the order must be taken into account when determining the appropriate period for meeting and/or improving an order.

Liability for compensation will only exist in cases of intent and gross negligence, and the level of liability is limited to the extent of the damage and to the damage which would normally be expected in the case of orders of this kind.

8. Exclusion of liability

Euromat GmbH is not liable for discrepancies and damages due to late, false, incomplete or imprecise details or due to improper treatment instructions in the ordering which are being declared unsuitable by Euromat GmbH.

Euromat GmbH won't assume responsibility for failures and damages that, notwithstanding proper handling, have originated from non-conformal design or assembling of the items, from material failure as well as from non-suitability of the materials for the foreseen purpose, difference in hardenability of used materials, other hidden defects and impact by previous treatments or change of previous processes for the foreseen purpose. In this category are included: cracks, distortion due to hardening (deformation, change in dimension), mechanical strength or tightness of brazed and/or welded joints, density and non-porosity of sintered components, damages due to aligning work and to improper machining (subsequent treatment), and damages to production parts already treated elsewhere.

The customer has no rights to claims for process imperfections except those clearly stated in clause 13.

9. Exclusion of further liabilities

All claims on the part of the customer, with the exception of those expressly stated in these conditions, whatever the legal reason they stem from, particularly any claim to compensation for damage not clearly listed, reduction or

withdrawal from the contract are hereby excluded.

The customer has absolutely no right to lay claim to compensation for damages not resulting from treated goods, such as namely production breakdown, application loss, loss of orders, lost profit as well as other indirect or direct damages. These restrictions are not valid in case of illegal intentions or gross negligence on the part of Euromat GmbH, however they are valid in case of illegal intentions or gross negligence on the part of auxiliary workers.

The customer releases Euromat GmbH from all non-contractual claims of third parties for product liabilities. Claims of recourse on the part of the customer against Euromat GmbH for non-contractual claims of third parties for product liabilities are hereby excluded.

10. Secrecy

The parties are mutually obliged to maintain secrecy, particularly in cases involving development projects which may be eligible for patenting.

The parties shall consult together in relation to any publications, and the interests of the other party must be taken into account in this respect. A party may not refuse the other party permission to publish without an objective and justifiable reason.

11. Jurisdiction, place of execution and applicable legislation

The jurisdiction and place of execution shall be at the registered office of Euromat GmbH. The creation and implementation of the contract are governed by German law, to the exclusion of international agreements. Supplementary agreements, additions and amendments must be set down in writing.

12. Binding character of the terms and conditions governing the order

If a stipulation is or becomes wholly or partly ineffective, this will not prejudice the effectiveness of the remainder of the contract. The ineffective stipulation shall be replaced by a stipulation which the parties would have wanted if they had been aware of its ineffectiveness, and/or which comes closest to the ineffective stipulation in its economic and legal effect.

Deviant conditions of the customer that are not explicitly accepted by Euromat GmbH are ineffective, even if Euromat GmbH does not oppose these conditions explicitly.