

A. General Terms and Conditions of Payment and Delivery

I. General Terms and Conditions

1.1 Terms and Conditions

Unless otherwise agreed in writing, all incoming orders shall be carried out solely in accordance with the terms and conditions set out below. The client's standard terms and conditions of purchase shall not be recognised, even if we do not expressly object to them. Verbal side agreements must be confirmed in writing by us in order to be valid.

1.2 Quotations

Our quotations are subject to change unless otherwise expressly agreed in writing. Prices are quoted in euros ex works, excluding VAT at the applicable statutory rate and any packaging costs. If, following the conclusion of the contract, order-related costs (wages, energy prices, etc.) change significantly, we reserve the right to adjust our prices accordingly.

1.3 Payment, statutory lien, contractor's lien

Invoices are payable immediately upon receipt, without any deductions. If the payment deadline is exceeded, we are entitled to charge interest on arrears at a rate of 8 per cent above the European Central Bank's base rate at the time. The client's right to withhold payment or to set off claims is excluded, unless the counter-claims are undisputed or have been recognised by a final and binding judgement, or there is a contractual lien or a contractor's lien.

If, after the contract has been concluded, we become aware that the client is in a difficult financial position, we shall be entitled to demand immediate payment or adequate security.

The client grants us a contractual lien on the items that have come into our possession as a result of the order. We are also entitled to a lien in respect of claims arising from work carried out previously and other services, insofar as these are related to the subject matter of the current order, for example, because the same hardened material is involved or because the client is one of our long-standing customers.

In addition, we are entitled to the so-called contractor's lien under Section 647 German Civil Code (BGB) in respect of the client's items that we have worked on.

1.4 Place of performance, jurisdiction and applicable law

The place of performance and venue for all services, deliveries and payments is Remscheid. This contract is governed by the law of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention) of 11.04.1980 is excluded.

II. Terms and conditions of performance and delivery

2.1 Information provided by the client

All workpieces submitted for heat treatment or any other treatment or machining must be accompanied by an order form or delivery note containing the following details:

- a) Quotation number (if available)
- b) Quantity, type and weight of the material to be hardened, type of material (material manufacturer, steel grade or standard designation).
- c) Hardness requirement; the required treatment, namely
 - (1) The required Rockwell or Vickers hardness following hardening and tempering;
 - (2) For nitriding treatments: the desired nitriding depth, the required hardness and, where applicable, precise details of whether any surfaces are to be protected with a paste prior to nitriding. If no details, or insufficient details, are provided regarding the type of material or the required treatment, liability will be declined in the event of a complaint.
 - (3) All workpieces must be free from chips and oil residues; otherwise, our heat-treatment equipment may be damaged and environmental pollution may result. If you fail to comply, we will charge you for the cleaning costs. This does not apply to the preservation of workpieces that are subject to nitriding.

All closed hollow bodies to be heat-treated must be completely dry, grease-free and clean on the inside. Being aware of any potential risks of damage, the client guarantees that the workpieces are in this condition on the basis of its own thorough initial inspection and exempts us from carrying out an incoming inspection.

2.2 Delivery time

The delivery time shall commence as soon as the parties have clarified all the details of the work and the client has fulfilled all the necessary conditions.

However, the delivery time is to be regarded as an approximate agreement only and shall be extended – even in the event of a delay in delivery – by a reasonable period should unforeseeable obstacles arise which we were unable to avert despite exercising the care that could reasonably be expected under the circumstances of the case. For the purposes of this provision, unforeseeable impediments shall include serious operational disruptions beyond our control within our own business, caused, for example, by strikes, lockouts, accidents, transport difficulties, shortages of operating materials, disruptions in the energy supply, or operational disruptions affecting the supplier's business. We will provide evidence of this if necessary.

2.3 Transfer of risk

The client must deliver the material to be heat-treated at their own expense and risk, and collect it upon completion. We will only arrange for the return of goods at the client's express request, in which case the client will be liable for all costs, including freight, handling, packaging, transport insurance and other charges, and the goods will be returned at the client's risk. Upon completion of the commissioned treatment and storage for collection or dispatch, but at the latest when the goods leave the factory or warehouse, the risk

shall pass to the client, even if we have undertaken the delivery and collection using our own fleet of vehicles. Upon handover to the railway company, the freight forwarder or the carrier, the risk always passes to the client.

2.4 Inspection

The heat-treated items are subject to random inspections before leaving the hardening shop. A more detailed review will only be carried out on the basis of specific agreements. Our outgoing inspection does not relieve the client of their obligation to carry out an incoming inspection.

2.5 Load securing

1. The freight forwarder/carrier/transport operator responsible for the goods processed at our premises is solely responsible for ensuring that the delivery vehicle is in a safe and fully operational condition, including its technical equipment for load and transport safety.

Where necessary, you must obtain information in good time on all factors affecting the performance of the contract, such as the nature, weight and quantity of the goods to be transported.

Any acts or omissions on the part of persons acting on behalf of the freight forwarder/carrier/transport operator shall be attributed to the latter.

2. Upon handover of the goods to the freight forwarder/carrier/transport operator, the risks associated with the goods and their transport shall pass to the latter.

Freight forwarders/carriers/transport operators are obliged to take out insurance covering all damage that may arise in connection with the performance of the contract, with cover of at least the insurers' current limits per claim.

3. We are liable only for the goods being in a condition that complies with the contract at the time of handover to the freight forwarder/carrier/transporter; any further liability on our part is excluded.

4. In addition, the provisions of the German Commercial Code (HGB) relating to freight, freight forwarding and loading contracts shall apply.

2.6 Material defects

The material undergoing heat treatment is handled with due care and using appropriate methods. No warranty is given as to the success of the heat-treatment process, including, without limitation, freedom from distortion and cracking, surface hardness, case depth, through-hardening, suitability for electroplating, or similar characteristics, owing to possible variations in the hardenability of the material used, latent defects, unfavourable component design, stress relief effects, or any changes that may have occurred during preceding manufacturing operations.

If the heat treatment is unsuccessful because

a) the client provided incomplete or incorrect information as required in Clause 2.1,

b) we were not aware of, and could not have been aware of, any hidden defects in the workpiece prior to the heat treatment, or

c) if the properties of the material used, the shape or the condition of the workpieces supplied made it impossible for the heat treatment to be successful, but we were not aware of this and could not have been aware of it, the treatment fee shall nevertheless be payable. Any necessary follow-up treatment will be invoiced separately, subject to the conditions set out above.

Any defects must be reported to us in writing immediately after the transfer of risk. Hidden defects must be reported in writing immediately upon discovery, but no later than 12 months after the transfer of risk. In the event of any complaint, we must be given the opportunity to investigate and rectify the matter. In respect of losses arising from defects for which we are responsible, our liability shall be limited to the amount of the treatment charge. At the client's discretion, we will in this case either credit the amount or process the relevant workpieces free of charge. The warranty periods and limitations also apply to any subsequent repairs. If workpieces that are the subject of a complaint have been machined or further processed without our written consent, our warranty obligation shall lapse.

No claims for damages may be made in respect of the shrinkage that is customary in the industry and occurs as a result of the hardening process for mass-produced items and small parts. If we carry out alignment work at the client's request, we shall not be liable for any breakages that may occur in the course of such work. No guarantee can be given as to the success of using nitration inhibitors.

2.7 Liability

With regard to the heat treatment to be carried out, the client shall be responsible for ensuring that the workpieces are manufactured and inspected in accordance with best practice, for the accuracy and completeness of the required information as set out in Clause 2.1, and for ensuring that the heat treatment specifications are appropriate for the intended end use. Unless otherwise agreed in writing by both parties, we shall not be liable for any damage resulting from heat treatment which we have proposed and which has been approved by the client. Our performance of quality and input checks, which we have specifically undertaken to carry out under the terms of the contract, does not entail liability for consequential damages. The client undertakes, for its part, to carry out the checks necessary to fulfil its duty of care with due care. We do not accept claims of an indirect nature, in particular, those arising from damage to items other than the workpiece itself. Any claims exceeding those expressly provided for in these Terms and Conditions shall be excluded, unless such claims are based on wilful misconduct or gross negligence on the part of our legal representatives, management, or senior employees.

III. Data protection and confidentiality

The contractor collects, processes and uses personal data primarily for the purposes of order processing and the performance of the contract in accordance with Article 6 (1) lit. b) GDPR. Data processing is carried out in accordance with the GDPR and the relevant data protection laws.

The general provisions governing the parties' obligations of confidentiality are set out in the addendum to the general terms and conditions relating to confidentiality and non-disclosure.

IV. Prevalence of the German version

The German version of all General Terms and Conditions shall be the binding version. The English version is provided for information purposes only.

V. Severability clause

Should one or more provisions be, or become, invalid in whole or in part, this shall not affect the validity of the remaining provisions. In such a case, the parties agree to cooperate in drawing up new provisions that are consistent with the intended purpose of the regulation.

B. Addendum to the General Terms and Conditions regarding confidentiality and secrecy

I. Definition of confidential information

"Confidential information" means all information, records, data, documents, drawings, specifications, trade and business secrets, and other knowledge which one party discloses or makes available to the other party in connection with the negotiation, performance or settlement of a contract, regardless of whether it is communicated in writing, orally, electronically or in any other form.

Information shall not be regarded as "confidential information" within the meaning of the above definition if it

1. was already lawfully known to the receiving party,
2. was publicly known at the time of disclosure or subsequently become publicly known without breaching this agreement,
3. was developed independently by the receiving party without recourse to confidential information, or
4. it must be disclosed in accordance with statutory provisions or by order of a public authority or court.

II. Confidentiality obligations and protective measures

The receiving party undertakes to treat all confidential information as confidential and to use it solely for the purpose of performing the relevant contract. Disclosure to third parties is only permitted without the prior consent of the disclosing party to the extent that this is necessary for the performance of the contract. In this context, the third parties concerned shall also be bound by a duty of confidentiality.

The following are not considered third parties for the purposes of this obligation: employees, legally affiliated companies, and lawyers and advisers.

The receiving party undertakes to take appropriate technical and organisational measures to protect confidential information from unauthorised access, loss or disclosure.

III. Ownership

The confidential information disclosed shall remain the property of the disclosing party from whom it originates. Each disclosing party retains the unrestricted right to dispose of the information provided.

IV. Returns and deletion

Upon termination of the contractual relationship or at the request of the disclosing party, all confidential information received, including any copies made, must be returned or deleted without delay, provided that this does not conflict with any statutory retention obligations.

V. Continuation of the obligation

The confidentiality obligation set out above shall remain in force for a period of three years following the termination of the contractual relationship, unless statutory provisions or specific confidentiality interests require a longer period of confidentiality.

VI. Miscellaneous

Unless otherwise provided for in the above provisions, the General Terms and Conditions of Carl Gommann GmbH shall apply in all other respects.