General Terms & Conditions of Business

for mechanically processed and electroplated surfaces from HOGRI Honer & Grimm GmbH & Co. KG, Spaichingen.

1. Scope of Validity

Unless otherwise agreed in writing between HOGRI and its business partners, the deliveries and services of HOGRI shall be made exclusively on the basis of the following conditions. If there is no complaint concerning delivery and performance with the first delivery within eight days, these provisions shall apply. Defense clauses are only effective if they result in a regulation agreed by both sides, e.g., a quality assurance agreement (QAA). Without a QAA, the following conditions of HOGRI apply.

2. General

Based on our experience, all work processes are carried out to the best of our knowledge and belief.

If tools are provided or created on behalf of and at the expense of a customer, any maintenance costs incurred will be charged. The creation of the tools is basically based on binding drawings and designs of the customer. These may be passed on to third parties for the creation of the tools.

Prerequisites for electroplating are technically feasible contacting possibilities on the part and sufficient dimensional tolerances.

The submission of an offer does not constitute confirmation of the technical feasibility on the part of HOGRI. Subsequent drawing or specification changes as well as additional work processes (interim inspections, gaging, covering and tamping work, etc.) result in a new cost and manufacturability assessment.

Insofar as additional operations (as mentioned above) are not apparent at the time, they are not taken into account in the calculation either. Should this work subsequently be required, the offer must be revised accordingly.

Sampling and pilot series are always offered and charged separately. Sampling is carried out according to the customer's specification. Unless otherwise agreed, samples are charged at cost. After assessment of the samples, an offer is created by the Sales Department or an existing one is specified.

Our offers are subject to change and are valid for four weeks. If the order is placed at a later date, we reserve the right to make a price adjustment. Silver-plated and gold-plated surfaces are calculated based on the daily rate. If necessary, an additional fee is charged.

The supplied goods remain our property until our invoices are completely paid. The "extended retention of title" applies without reservation.

3. Packaging

If no other packaging concept has been agreed, HOGRI will use the delivery containers as internal/external reusable packaging. These must be designed in such a way that sufficient transport safety of the raw material as well as the finished parts is ensured.

Furthermore, in the case of a packaging concept that has not been agreed in advance, HOGRI decides how the finished goods are packaged in a transport-safe manner. Any additional costs will be charged.

3. Quality and complaint conditions

Insofar as no individual quality and complaint conditions have been made between the customer and HOGRI, the following regulations apply:

To coordinate a common quality level and as a binding basis for the decision whether a product is OK or not OK, limit samples are prepared for each project in advance. If the quality level of the parts to be refined is not defined by limit samples accepted by both sides, a standard level of quality shall apply for these parts. If necessary, a test plan is drawn up together with the customer, which regulates the criteria in a binding manner. Complaints must be made within 14 (fourteen) days of receipt of the goods. **The following also applies:**

3.1. Visible surfaces (polished, electroplated) must be defined and, if necessary, divided into A, B and C surfaces. The assessment of the surface quality is regulated in Appendix 1.

3.2 Dimensional tolerances must be within practically achievable and technically reasonable limits. This applies in particular to stamped and drawn parts, but also to ground and polished goods.

33 For items that are subjected to a 100% visual inspection at HOGRI, the customer tolerates average outgoing quality of NOK parts for OK deliveries (pass rate). Experience has shown that this rate is 3-5% in series production. This pass rate is not to be confused with the proportion of NOK parts sorted out by HOGRI ("material defects", see sections 3.4 and 3.5).

34 HOGRI assumes no liability for raw materials delivered free of charge by the customer. If necessary, the customer is responsible for the quality of raw material suitable for processing. Electroplated parts that result in scrap due to a blank defect are separated by HOGRI and invoiced as "blank defect" or "material defect".

The customer is responsible for the sufficient supply of raw materials. Not only the electroplating capacity, but also the throughput time of the upstream activities (e.g., grinding, cleaning, etc.) must be taken into account with regard to the necessary lead time. In the case of raw parts supply, the customer must consider possible scrap for the respective article and compensate for it four weeks by means of overdelivery with raw material (usually 4-8%).

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35 The delivered parts are sorted according to "good parts", processing errors and "material defects"; material defects are calculated at the full machining price.

HOGRI is expressly not obliged to detect material defects before finishing. Should this nevertheless happen, the detected material defects are calculated according to the processing already carried out. The customer must ensure that goods declared by HOGRI as "material defects" are not provided to third parties. If this is proven to be the case, HOGRI must reject any further complaint.

36 In the case of goods which are not controlled 100% by HOGRI explicitly and as requested, HOGRI cannot assume any liability for the correctness of the sorting into "good parts" and "material defects".

37. In principle, HOGRI is liable (except in the case of gross negligence and other violations of "cardinal obligations") only up to the amount of the work processes carried out at HOGRI. HOGRI does not accept any further liability, e.g., for raw materials, special trips, quality costs (complaint flat rates, testing, sorting and/or processing costs), etc.

38 Unless otherwise agreed, complaints must be made immediately, but no later than 14 (fourteen) days after receipt of the goods.

4. Price quotation

The prices given are net, excluding freight and cash discount. If the relevant cost factors (production material, energy, wages and salaries, etc.) for the prices change significantly between the time of the offer and the delivery, HOGRI is entitled to compensate for these additional costs. If the cost factors mentioned in sentence 1 are reduced, the customer is entitled to a price reduction or the right to withdraw from the contract. Offers are valid for 30 (thirty) days unless stated otherwise.

5. Payment and delivery terms

Unless otherwise agreed, the payment period is eight days, strictly net.

The raw material to be processed is provided neutral in terms of effects on costs.

Delivery is ex works unless otherwise agreed. Partial deliveries are permissible.

If the goods to be processed are picked up by us at the request of the customer, the risk of transport shall be borne by the customer. The customer is free to insure these risks.

The extended retention of title applies to all deliveries.

6. Miscellaneous/Severability Clause

The extended retention of title applies to all deliveries. The above General Terms and Conditions shall apply unless there is a written agreement to the contrary.

Should any of the above provisions of these General Terms and Conditions be void, invalid or unenforceable for any reason, the validity of the remaining provisions shall remain unaffected. The place of jurisdiction is Spaichingen.

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Your partner for high-quality metalworking.

APPENDIX 1

Qualitative assessment of decorative surfaces

The assessment of the quality of a decorative surface is carried out with the following tests:

- Eye distance to surface 50 cm (outstretched arm).
- Examination with the naked eye, without technical aids such as magnifying glass, etc.
- Test duration 6-10 seconds, depending on the component to be tested
- Lighting: glare-free, at 800 1000 lux

Defect locations

Depending on the component, the decorative surface must be divided into A, B or C surfaces. A surfaces are the most important surfaces in the visible range; B and C surfaces are graded accordingly.

Defect size and number of defects

The maximum size of countable surface defects depends on the appearance and location of the defect. The number of defects per area and the minimum distance for the evaluation are also decisive. The following defects are to be tolerated:

	A area	B area	C area
Punctiform	0.3	0.5	0.8
Max.			
diameter			
(mm)			
Linear	0.6 / 0.2	1.2 / 0.2	2.0 / 0.4
Max.			
length/width			
Maximum number	3	3	4
Min. distance	25	20	15

Exceptions

Excluded from these requirements are those components for which separate agreements are made. For these components, binding limit samples must be agreed for both sides if necessary.