 Plant: Humpolec	Form name:	Valid from:
	Technical and delivery conditions of LAKUM-GALMA a. s. – the parts supplied to the customer for the surface treatment.	


Please note: Information about the Supplier's organizational, business, personnel and production facts, which the Customer acquires in the course of cooperation, including in the course of the request-for-proposal procedure, shall be treated by the Supplier as a trade secret within the meaning of Section 17 of the Commercial Code, i.e. the Customer to whom such information has been disclosed may not disclose it to a third party or use it for himself or another in contravention of its purpose. The Supplier shall be entitled to require the Customer to require its employees to observe the same level of confidentiality with regard to the aforementioned facts of which they become aware.

Agreement on the terms of cooperation between LAKUM-GALMA, a.s. (hereinafter referred to as the Supplier) and the Customer.

This document replaces, or supplements, the quality agreement, or replaces the general terms and conditions, between the aforementioned companies.

TRADE:

- Mutual agreement of physical samples is required before the start of the surface treatment (hereinafter referred to as the surface treatment) production. The price is subject to change after the physical samples have been agreed. It is assumed that the parts can be hung on standard hanging fixtures (hanging by a suitable technological hole using hooks or pens). In case of the necessity to produce special hanging fixtures, the production including the cost calculation will be solved additionally.
- The quotation is based on the information provided by the customer at the date of issue.
- In order to comply with the prices stated in the quotation, it is necessary to deliver the parts for the execution of the PU in the agreed quality of the basic material (see below) and minimum batch size: Zn or Zn/Ni plating - 8m². In the case of bulk plating, the minimum batch size is 40 kg or 5m² (whichever comes first) and KTL coating - 20 m².
- If the price is expressed in EUR, it is converted at the current exchange rate to CZK. In case of a ±3% deviation in the exchange rate, the prices will be automatically converted according to the current exchange rate or renegotiated.
- The quotation is valid for 3 months from the date of issue. After the expiry of this period, the supplier is entitled to issue a new offer. Prices are quoted exclusive of VAT.
- The price of the PU does not normally include the covering of threads, holes and surfaces, nor does it include transport, special packaging or the cost of tests according to the relevant requirements of the standards (corrosion tests, resistance to oil, etc.), unless otherwise agreed.
- The price is calculated with standard packaging of the parts after PU according to the specification of LAKUM-GALMA a.s. (see below)
- The raw parts shall be delivered by the customer for the PU execution in rigid standard stackable packaging.
- Capacity - quotation is not binding for booking of spare capacity for the project. Availability of spare capacity for a given project must be updated prior to commencement of the series.
- The technology that will be applied to the part is indicated in the quotation, where this quotation is made with reference to the technology available from the supplier and may not always be in full accordance with the demand. For this reason, approval of the tender by the enquirer is required. Subsequent ordering of the surface treatment of the parts shall also be


 Plant: Humpolec	Form name:	Valid from:
	Technical and delivery conditions of LAKUM-GALMA a. s. – the parts supplied to the customer for the surface treatment.	

considered as approval of the offer.

- If the order/request is inconsistent with the tender, the technology specified in the tender will be applied to the part and any discrepancies will be the responsibility of the purchaser, just as any discrepancies between the demand and the supporting documents for the demand (drawings, standards, etc..) are the responsibility of the purchaser.
- LAKUM-GALMA reserves the right, without prior notice, to unilaterally increase the prices for the services provided by an amount equal to the inflation rate announced by the CNB for the past 1/2 year.
- LAKUM-GALMA reserves the right to revise the prices stated in the price offer in view of the current development of input costs (labour costs, energy, raw materials). In the event that there is no mutual agreement between the parties, a controlled termination will be announced and subsequently carried out on the project in question.

TECHNOLOGY, PRODUCTION:

- By endorsing the delivery note/shipment note, the LG acknowledges receipt of the number of handling units, not the type of goods delivered or the number of units delivered. The buyer is obliged to indicate the number of handling units on the delivery note.
- The price for electroplating does not include dehydrogenation (this technology is not available from Lakum-Galma). For this reason, parts made of high strength materials (according to the relevant standards) cannot be electroplated while maintaining the strength of the material after plating (due to hydrogen embrittlement).
- The parts submitted for surface treatment must be free of corrosion, coarse dirt, scale and laser-burning edges (so-called ceramics). Silicone containing agents **MUST NOT** be used in the welding of the parts and the welds must be clean, free of slag and enamel (it is optimal to blast the welds before surface treatment).
- Oils or other emulsions containing free chlorine, silicone, Teflon, graphite, paraffins and vegetable oils must not be used in the manufacture of parts (see the annex to these TDPs available online at www.galma.cz for further specifications).
- The parts shall be supplied without excessive fouling. The maximum level of part clogging shall be 2 g/m².
- The purchaser shall provide the supplier with the technical data sheets for the lubricants and formulations used on the surface of the raw parts delivered to the TDP.
- KTL is not UV stable and therefore not suitable as a final finish for parts that will be exposed to sunlight.
- In the event that another surface treatment (e.g. powder paint) is applied to the KTL layer by another supplier, the firing temperature of this paint must not exceed 180°C.
- The fact that the parts will be further coated must be notified by the purchaser in the request for quotation procedure, at the latest before the start of the PO. LAKUM-GALMA a.s. shall not be liable for any defects in subsequent surface treatments.
- In case the performed PM shows unacceptable defects, the PM must be removed by an external contractor. This may jeopardize the fulfilment of the order deadline by approx. 2 weeks.
- The vehicle used by the customer to transport the painted parts must have an enclosed load compartment (tarpaulin, box, etc..) to prevent subsequent damage to the parts and/or the parts packaging due to transport.

 Plant: Humpolec	Form name:	Valid from:
	Technical and delivery conditions of LAKUM-GALMA a. s. – the parts supplied to the customer for the surface treatment.	

- In the case of a customer's request for bulk plating technology, the customer acknowledges that parts produced by bulk (drum) technology after the performance of the PM shall undergo only a random inspection after the performance of the PM.
- Due to the bulk nature of the drum coating process, 100% plating of all parts and adherence to coating thickness tolerances cannot be guaranteed.
- Parts plated by bulk technology may show signs of mechanical damage.
- A common technological phenomenon in mass drum galvanizing is the so-called bonding of parts, which results in non-plating of parts of the surface or the impression of the drum perforation in the passivation layer.
- The firing temperature of KTL ranges from 180 to 210°C. The supplier is not responsible for any changes in the shape of the products caused by temperature.


QUALITY:

The Supplier is not responsible for phenomena that are characteristic of the UI provided:

- the formation of blisters or foam due to irremovable grease on the raw part,
- unfinished areas due to unremovable grease or baked-on grease after welding and where the part is hung on the suspension device of the UI line,
- maps, scuffs, efflorescence and paint spatter caused by the construction of the part (cavities, capillaries at joints, reflow, etc.),
- unevenness of the surface (rough appearance defects) due to the poor condition of the surface of the part (scaling, dirt, etc.),
- deformation of the raw part already delivered by the customer,
- defects caused by transport to/from the supplier in compliance with the packaging regulations,
- logistical defects from the customer (different number of pieces, mixing of parts already on delivery, etc.)
- defects in the KTL caused by the underlying PU applied by another provider,
- the customer acknowledges that both the electroplating (Zn; Zn/Ni) and the KTL are technical coatings and therefore no claims can be made for their visual aspect.
- visual variations may occur between production batches,
- The surface finish on the parts is carried out according to the customer's order, according to his specification. The customer is responsible for any influence on the parameters of the parts that are not directly related to the surface finish (e.g. surface roughness, thread dimensions, exact/tolerated dimensions, etc.).
- Unless otherwise specified in the request or order, the thickness of the surface finish layer will be within the usual tolerances for the respective technology. This means electroplating zinc 5 - 20 µm, electroplating zinc/nickel 6 - 15 µm and cathodic painting 15 - 30 µm.

The following limits must be mutually agreed upon before mass production begins:

- blisters, drips, appearance defects and general appearance (see previous paragraph). For example, iridescence in galvanizing, or maps and drips in cathodolysis, cannot be considered as defects in the finish if the prescribed corrosion resistance is maintained.
- Welds and edges - coverage and corrosion resistance cannot be guaranteed as specified for unprepared welds, edges and their vicinity. These locations are excluded from the assessment.
- Assessment of internal areas of parts with respect to air bubbles and thus without surface treatment. The associated assessment of the suitability of the location of process openings.

 Plant: Humpolec	Form name:	Valid from:
	Technical and delivery conditions of LAKUM-GALMA a. s. – the parts supplied to the customer for the surface treatment.	

- Scope of sampling and retraining tests which may warrant adjustment of the quotation. The time required for the production of the samples is a minimum of 48 hours for duplexes or triplexes and double or triple this time respectively.
- Once the sample report has been sent, the quality department must be informed of the approval/disapproval as soon as possible. If this is the first delivery of parts and it is not agreed otherwise, these parts are considered samples for which the customer's approval of the quality of the finish is required.
- The sending of three further deliveries of these parts to carry out the same finish without any change in requirements shall also be deemed to be approval.
- Packaging of parts before and after surface treatment. In the absence of a packaging regulation specified by the customer, the parts shall be packaged as follows:
 - § electroplating - into customer's boxes (pallets) lined with clean paper without interleaving individual layers,
 - § KTL - in customer's crates (pallets) lined with plain paper with interleaving of individual layers. The top layer is overlaid with paper.
- The customer is obliged to deliver the raw parts in such packaging that they can be stacked, both in the warehouse and during transport after coating, to prevent damage to the parts during handling. The Purchaser acknowledges that if non-standard packaging is used in which to ship the parts (paper boxes, pallets without enclosures, etc...), the volume of stock units may increase after finishing (or the parts may not be able to be manufactured and safely packaged) and may not be able to be transported back by the same means of transport, which may delay the order or result in additional costs.

Note: Parts with obvious or readily identifiable handling defects that are detected by the supplier before, during or after the PO process and that are caused by the condition of the raw parts supplied will be returned to the customer with the finished parts. The purchaser will be informed in advance of this condition.

In the absence of delivery of the specification, all areas on the parts shall be considered as non-visible.


The quotation is based on the general technical characteristics of the offered surface treatment based on information from the supplier of the equipment and technological/chemical preparations for the implementation of anti-corrosion treatments.

The degree of fulfilment of the technical requirements of the request must be verified on physical samples of the requested parts. The quotation sent does not take into account the method of production and the condition of the material from which the parts requested are manufactured.

The Supplier reserves the right, without any penalty, to cancel the quotation sent in the event that the tests carried out as part of the process validation do not meet the requirements of the request.

If the purchaser refrains from carrying out physical tests of the surface finish, the supplier shall not be liable for any failure to meet the requirements in the future.

The offer is prepared on the basis of the information and requirements submitted by the

 Lakum Galma Plant: Humpolec	Form name:	Valid from:
	Technical and delivery conditions of LAKUM-GALMA a. s. – the parts supplied to the customer for the surface treatment.	

purchaser in the request for quotation. In case of other specific requirements of the purchaser not mentioned in the request, the offer may be modified or rejected.

Valid version on the date of issue of the offer or on the date of handover.
Any changes at www.galma.cz.