



# **PT. IndyKote**

*Ceramic Coating Specialists*



## **CERAMIC COATING SERVICE AGREEMENT BETWEEN PT. INDYKOTE AND**

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This Agreement for Ceramic Coating Services (hereinafter referred to as “**Agreement**”) is made and signed on this day, \_\_\_\_\_ at \_\_\_\_\_ by and between:

PT. Indykote, A limited liability company, duly established and operating under the laws of the Republic of Indonesia, having its domicile in Jakarta, Indonesia at address Gading Bukit Indah, Blok N/19, Kelapa Gading, Jakarta Utara, 14240, Jakarta, Indonesia. Represented within the framework of this Agreement by Chris Chapman, in this case acting in his capacity as the Technical Analyst for Business Development for the Company. Legally acting for and on behalf of the Company (hereinafter referred to as the “**Supplier**”)

; and

\_\_\_\_\_, a limited liability company duly established and operating under the laws of the Republic of Indonesia, having its domicile in \_\_\_\_\_, at address \_\_\_\_\_.

Represented within the framework of this Agreement by \_\_\_\_\_, in this case acting in his capacity as the \_\_\_\_\_ of the Company. Legally acting for and on behalf of the Company (hereinafter referred to as “**Customer**”)

The Supplier and the Customer are hereinafter collectively referred to as the “Parties” and severally as the “Party”.

Whereas the Supplier wishes to enter into a service agreement for the exclusive supply of ceramic coating services to the Customer, therefore, the Parties hereby agree to make and sign this Agreement, covered by terms and conditions as follows:

## **SECTION 1**

### **Article 1 – Scope of Work**

#### **1. Inspection and Scope**

Upon receipt of components sent for ceramic coating, inspection of the components will be conducted to ascertain suitability for both re-use and ceramic coating.

Repairs to components will be limited to the following:

- a) Removal of broken and damaged mounting studs.
- b) Surface machining of warped or damaged mounting surfaces.
- c) Build up and machining of worn or damaged section joiner flanges.
- d) Fitment of new thread inserts.
- e) Fitment of new mounting studs.
- f) Repair of damaged mounting bolt holes.

#### **2. Repair Conditions**

Should the cost of repairs to the component be envisaged to be equal to or greater than 80% of the replacement cost of a new component, the component will then be deemed to be B.E.R. (Beyond Economical Repair).

The B.E.R. component will be returned to the Customer and the Customer will be requested to provide a new or suitable replacement component in its place, or one will be provided by the Supplier at retail cost at the Customer's request

Cracked and or broken components will not be considered for either repair or ceramic coating.

### **Article 2 – Rights and Obligations of the Supplier.**

#### **1. Price List**

The Supplier will furnish the Customer with the current price-list. The Supplier reserves the right to alter prices according to the latest market developments, without giving further notice.

#### **2. Pricing Currency**

Pricing shall be in U.S. Dollars. Prices do not reflect any applicable taxes.

### **3. Administrative Procedures**

The Supplier agrees to comply with all the reasonable requests of the Customer regarding the administrative procedures for the issue of purchase orders. Should there be any changes to these procedures the Customer will give as much notice to the Supplier as is practicable.

## **Article 3 – Rights and Obligations of the Customer.**

### **1. Inspection of Goods**

Should the Customer become aware of any irregularities concerning the goods, they must notify the Supplier immediately without any delay.

### **2. Payment Terms**

The Customer must pay for each valid invoice issued by the Supplier within 30 (thirty) days after receipt of the invoice in the Customer's nominated office.

### **3. Condition of Components**

Components consigned to the Supplier shall be cleaned and free from oil, grease or other contaminants. Components shall be packaged in suitable packaging.

### **4. Schedule of Re-Coating**

The Customer agrees that ceramic coated components must be removed for re-coating every 2 (two) years or every 12,000 hours, whichever occurs first to maintain the integrity and performance of the ceramic coating.

### **5. Component Removal For-Periodic Maintenance**

The Supplier recognises that the Customer may wish to carry out periodic component change out at engine mid-life namely the changing out of turbochargers. The Customer agrees that the replacement turbochargers must have their exhaust housings ceramic coated to maintain the overall temperature reduction capability of the ceramic coated exhaust system.

## **Article 4 – Warranty**

### **1. Duration of Warranty**

Full warranty on ceramic chrome coated parts (IndyKrom) is 3,000 hours or 12 months whichever occurs earlier. Warranty is neither implied nor expressed for Black Satin (IndyBlak) coatings or any other ceramic coating. Components which have been weld repaired for cracks or breaks will not be considered for warranty.

## **SECTION 2 –PURCHASES**

### **Article 1 – Exclusive Service Agreement**

The Customer agrees to purchase all ceramic coating and manifold repair services from the Supplier.

### **Article 2 – Returned Parts**

The Customer shall return faulty Parts to the Supplier within 7 days.

## **SECTION 3: GENERAL CONDITIONS**

### **Article 1 – Validity**

The agreement is valid for a period of 5 (five) years from the agreement date. Thereafter, the agreement may be renewed, based on the mutual consent of both Parties. The Customer agrees to give 6 months notice of their intention to renew the contract on the anniversary date. There shall be an annual review of the contract at which it may be agreed between the Parties to make changes based upon actual operation during the preceding year.

### **Article 2 – Termination for Cause**

Upon the occurrence of any of the following events (each of such events being hereinafter individually referred to as an "Event of Default") which shall be deemed to be a material breach of this Agreement:

1. failure by either Party to perform any of the undertakings, covenants and/or obligations hereunder;
2. should any of the agreements, representations, warranties or covenants contained herein be or be shown to be untrue, inaccurate or misleading;
3. should either Party (i) be dissolved, (ii) fail or be unable to pay its debts as they become due, (iii) be the subject of any voluntary or involuntary bankruptcy proceedings, or any other action or proceeding for any other relief under any similar law affecting creditors' rights, (iv) make any composition or similar arrangement with its creditors, or (v) have an execution levied against any of its assets;
4. in the event of any of the above "Events of Default" the Party not in breach may terminate this Agreement by written notice with immediate effect. All

outstanding payments due at the date of termination become immediately payable

### **Article 3 – Force Majeure**

Neither Party shall be liable for its failure to perform its obligations hereunder owing to any contingency beyond its reasonable control, including acts of God, fires, accidents, strikes, riots, labour disputes, floods, wars, sabotage, or government laws, rules or regulations or any other like or unlike cause beyond the reasonable control of the Parties. The affected Party shall submit a notice in writing within the period of not later than seven (7) days after the event of Force Majeure by specifying the occurrence or condition thereof to other Party.

### **Article 4 – Settlement of Disputes**

All disputes arising from or in connection with this Agreement shall be settled amicably, if possible, and the Parties hereto shall use their best efforts to achieve such amicable settlement.

### **Article 5 – Notices**

1. All notices, consents, requests, agreements or other documents authorised or required to be given or made pursuant to this Agreement by a Party shall, unless otherwise specifically provided in this Agreement, be given or made in writing and shall be either personally served or mailed by registered or certified airmail, postal charges prepaid, or sent by facsimile to the address given at the start of this Agreement.
2. Notices, consents, requests and other documents shall not be deemed duly given until actually received at the place of the addressee's address if mailed as aforesaid. Facsimile transmission shall be deemed to be received only upon actual receipt by the receiving Party.
3. Either Party may change its address for the receipt of notices, consents, requests and other documents at any time and from time to time by giving written notice of such change to the other Party to this Agreement in accordance with the provisions hereof.

### **Article 6 – Waiver**

Waiver by one of the Parties of any default by the other Party, which waiver shall be in writing signed by both Parties, or the failure by the said interested

Party to terminate this Agreement when a right to do so arises, shall not constitute waiver by the said interested Party of any of the terms or conditions herein with respect to any future or subsequent default by the other Party nor give rise to any right of termination by said other Party.

#### **Article 7 – Assignment**

No Party shall assign or transfer the rights and obligations contained in this Agreement in whole or in part to any third party without the prior written consent of the other Party which shall not be unreasonably withheld.

#### **Article 8 – Change of Law**

Should any legislation, including any decree or regulation, be enacted in Indonesia, the effect of which, in the reasonable opinion of either Party, materially alters its rights and obligations hereunder, that Party may forthwith terminate this agreement upon giving written notice to the other Party.

#### **Article 9 – Amendment**

This Agreement can only be amended, altered or modified with the written agreement of both Parties.

#### **Article 10 – Entire Agreement**

This Agreement, together with its attachments and schedules, contains the entire Agreement between the Parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. There are no representations, warranties, terms, conditions, undertaking of collateral agreements, express, implied or statutory, between the Parties, other than as expressly set forth in this Agreement.

#### **Article 11 – Language**

This Agreement is executed in the English language which shall be controlling in the event of its translation into any other language. In the event that an Indonesian language translation of this Agreement shall be required, for any reason, the Parties agree that such translation shall be provided by a sworn translator



**Article 12 – Governing Law**

This Agreement shall be governed by and interpreted in accordance with the laws of the Republic of Indonesia.

**IN WITNESS WHEREOF**, this Agreement is made in 2 (two) copies, each of which has the equal legal force, bearing sufficient stamp duties and becomes effective as of the date, month and year stated at the inception of this Agreement.

The **Supplier**

**Signature:** \_\_\_\_\_

**Name:** Chris Chapman

**Date:** \_\_\_\_\_

The **Customer**

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_