



GENERAL DELIVERY TERMS AND CONDITIONS (German law)

1. General

- 1.1. These General Delivery Terms and Conditions (hereafter referred to as "Terms and Conditions") shall apply to companies and legal entities under public law or special funds under public law as understood under § 310, Para. 1 of the German Civil Code (BGB), only
- 1.2. These Terms and Conditions shall apply exclusively, unless the contracting parties have agreed otherwise in writing.
Buyer's deviating purchasing terms shall not become part of the Contract, not even through order acceptance, unless the contracting parties have expressly agreed otherwise in writing.

2. Proposal and conclusion of contract

- 2.1. Technical documents and marketing materials as well as data on weights, performance etc. are only binding, if expressly agreed as properties of the delivery item. Special requirements of the Buyer are deemed to be agreed, if this is confirmed in writing.
- 2.2. CERA SYSTEM Verschleißschutz GmbH (hereafter referred to as "CERA SYSTEM") shall retain ownership of, and copyright in proposals, cost estimates, technical documents, such as drawings and other documents; these documents or their contents must not be made accessible to third parties.
- 2.3. These Terms and Conditions shall be deemed to be accepted by the Buyer, if the Buyer accepts deliveries and services from CERA SYSTEM or provide services himself.
- 2.4. Third-party terms and conditions shall not become part of the Contract without CERA SYSTEMS written consent, even if it is opposed to these Terms and Conditions.

3. Call-off orders

- 3.1. When call-off orders have been placed, the acceptance period shall be 12 months from the date of the seller's order confirmation, unless otherwise agreed in writing.
- 3.2. Insofar as products have not been accepted by the end of the acceptance period, the corresponding remaining stocks may be delivered.
- 3.3. Where call-off orders do not contain details of acceptance periods, production batch sizes and acceptance dates, CERA SYSTEM may demand a respective binding stipulation by the Buyer no later than three months after the seller's order confirmation or may carry out the scheduling itself.

4. Scope of delivery

- 4.1. CERA SYSTEM reserves the right to make changes with regard to the technical design, provided that these do not negatively affect the function of the product.
- 4.2. As far as CERA SYSTEM provides advisory services, it's done to the best of its knowledge.
- 4.3. The occupational safety equipment included in the scope of delivery complies with the regulations applicable in Germany. If the products are used outside Germany, any additional occupational safety equipment that may be required will not be included in the scope of delivery.
- 4.4. If international standard clauses regarding the way of delivery are agreed, the Incoterms of the International Chamber of Commerce in Paris in their latest applicable revision on the date of conclusion of the Contract, shall apply for the interpretation.



- 4.5. If taxes or other duties are incurred in connection with the delivery in the country of the Buyer or, if installation has been agreed, in the country of installation, these shall be paid by the Buyer.
- 4.6. Products supplied for trials or tests shall be bought by the Buyer at the agreed price after the trial. Unless otherwise agreed, the maximum test period shall be 3 months following delivery. During the agreed test period, the product must only be used in accordance with the designated purpose, and must only be exposed to the agreed conditions. CERA SYSTEM must be notified without delay of any problems that may occur. The provisions on retention of title (Item 7) shall apply.

5. Prices

- 5.1. Unless otherwise agreed, the prices shall be ex works plus packaging and value added tax at the respective statutory rate. If the Buyer requests loading or shipment, this shall be invoiced separately.
- 5.2. The prices are calculated on the cost basis of the proposal. In case of changes in material prices, wages or other cost factors, the right to adjust the price is reserved.

6. Terms of payment

- 6.1. Invoices shall be payable in cash and without discount to CERA SYSTEM's bank account within 14 calendar days of the invoice date. Agreed advance payments and deposits shall be due on the agreed payment dates.
- 6.2. A set-off or a right of retention may only be asserted in the case of counterclaims that have been established by a court or in case of undisputed counterclaims.
- 6.3. Notwithstanding any other statutory claims, interest at a rate of 9 percentage points above the applicable base of interest rate (§247 BGB) shall be owed from the date on which the payment deadline is exceeded.
- 6.4. If the Buyer defaults on their payment obligations or the obligations resulting from the retention of title, if there is a substantial deterioration in Buyer's financial situation or if the Buyer suspend the payments, then the entire remaining debt becomes due.
- 6.5. In the event of default in payment by the Buyer, CERA SYSTEM shall be entitled to retain all deliveries or services.

7. Retention of title

- 7.1. The delivery item shall remain the property of CERA SYSTEM until all claims arising in connection with the delivery contract have been settled in full. This shall also apply if the claims are included in a running account.
 - 7.1.1. Any processing of the delivery item subject to retention of title, as well as its combination with third-party items by the Buyer or third parties, shall be carried out for CERA SYSTEM. CERA SYSTEM shall be entitled to co-ownership of newly created items in proportion to the value of the delivery item.
 - 7.1.2. If the Buyer acts in breach of the Contract, in particular in case of default in payment, CERA SYSTEM shall be entitled to withdraw from the Contract and the Buyer shall be obliged to surrender the goods. The Buyer shall be liable for all damage incurred as a result of the delivery item being returned. If the delivery item has been used, CERA SYSTEM is entitled to demand the full purchase price without proof of damage.



- 7.2. If the law of a country does not permit the retention of title but allows comparable rights to be reserved, CERA SYSTEM may exercise all rights of this kind. The Buyer shall take measures at its own expense which are necessary to make these rights to the delivery item effective and to maintain them.
- 7.3. The Buyer shall, during the period of retention of title or any other right under Item 7.1, insure the delivery item(s) against relevant risks with the condition that CERA SYSTEM is entitled to the rights under the insurance contract. The insurance policy and the premium receipts shall be presented to CERA SYSTEM on request.
- 7.4. In the event of attachments or other impairments of the owner's interests, the Buyer shall notify CERA SYSTEM without delay

8. Delivery time

- 8.1. The delivery period shall begin after complete technical and commercial clarification and agreement and not before receipt of an agreed down payment.
- 8.2. Delivery periods shall be suspended in the event of redesigns and article changes requested by the Buyer. They shall not start to run again until the Buyer has approved the changes it requested.
- 8.3. The delivery period shall be deemed to have been met if the notification of readiness for dispatch has been sent to the Buyer by the time it expires.
- 8.4. All information about the beginning, duration and end of installation and commissioning shall be non-binding unless agreed in writing between the Parties.
- 8.5. The delivery period shall be reasonably extended (including during a delay in delivery), in cases of force majeure (including but not limited to epidemics, war, civil war or war-like or civil war-like conditions or the imminence of such events), as well as in the event of unforeseen events beyond CERA SYSTEMS control, e.g. strikes, lockouts, operational disruptions, wastage, delays in delivery by subcontractors or other delays for which CERA SYSTEM is not responsible, insofar as these events affect the timely performance of the Contract. In important cases, CERA SYSTEM shall notify the Buyer of the occurrence and estimated duration of such events, if those events are important.
- 8.6. Delivery is subject to the timely and proper fulfilment of the Buyer's obligations. The right of objection to non-performance of Contract remains reserved.
- 8.7. In the event of default of acceptance or any other culpable infringement of the duties to cooperate by the Buyer, CERA SYSTEM shall be entitled to claim the reimbursement of any damage incurred, including any additional expenses. Further claims shall remain unaffected. In this case, the risk of accidental loss and/or accidental deterioration of the supplied goods shall pass to the Buyer at the time of the default of acceptance or any other infringement.
- 8.8. In the event of a delay in delivery, CERA SYSTEM shall not owe any penalties or lump-sum damages.

9. Transfer of risk

- 9.1. The risk shall pass to the Buyer upon the shipment has left the factory or sales office. If dispatch is delayed through no fault of CERA SYSTEM, the risk shall pass to the Buyer upon notification of readiness for dispatch.
- 9.2. If the goods are dispatched at the Buyer's request, the risk of accidental loss and/or accidental deterioration of the supplied goods shall pass to the Buyer at the time of the dispatch.



10. Performance of the delivery

- 10.1. The delivery deemed to be fulfilled, when the risk passes to the Buyer in accordance with Clause 9.
- 10.2. Partial deliveries are permitted. Excess quantities or quantity shortfalls of up to 10% are permissible. The minimum purchase quantity is one full packaging unit.
- 10.3. Insofar as corresponding services are to be provided by CERA SYSTEM, packing material and transport containers shall be selected and charged at CERA SYSTEM's reasonable discretion.
- 10.4. Insofar as CERA SYSTEM is obliged under the Packaging Ordinance (VerpackV) to take back packaging used for transport or sale, the Buyer shall bear the costs of the return transport and the reasonable costs of recycling or – insofar as this is possible and deemed appropriate by CERA SYSTEM – the reasonable costs additionally incurred for the reuse of the packaging. By placing its order, the Buyer undertakes and confirms to CERA SYSTEM that packaging which is not returned will be recycled in accordance with Packaging Ordinance.

11. Installation and start-up

- 11.1. If it has been agreed that CERA SYSTEM carries out the installation and commissioning of the delivery item, the Buyer shall ensure, at their own expense, that:
 - 11.1.1. all requirements are met in good time to enable CERA SYSTEM for a swiftly installation and commission. This includes, depending on the case, in particular the provision of skilled and unskilled labor, equipment, power as well as work and operating materials, and the parts to be installed and put into operation at the place of use; and
 - 11.1.2. suitable rooms are available at the installation site for the storage of parts and equipment and for the personnel; and
 - 11.1.3. the measures necessary for the protection of personnel and property at the installation site have been implemented and the installation manager has been informed of the safety regulations in force at the Buyer's premises and which must be observed by the respective personnel.
- 11.2. If the Buyer is unable to carry out individual preparatory work and services or to provide the necessary devices etc., CERA SYSTEM may, as far as possible, carry out or provide these and charge the Buyer for the costs.
- 11.3. For installations abroad, it is the responsibility of the Buyer to obtain all entry, labor and other necessary permits and approvals at the Buyer's expense.

12. Claims for defects

CERA SYSTEM provides the following warranty for material defects and defects of title, to the exclusion of further claims, subject to Clause 13, 15 and 18:

12.1. Material defects

- 12.1.1. Unless otherwise stipulated in these terms and conditions, the statutory provisions shall apply to defects of quality, including the statutory requirements on the burden of proof.
- 12.1.2. CERA SYSTEM shall, at its discretion, either remedy the defect in question or supply a new part in respect of parts which have become unusable or whose usability has been significantly impaired as a result of faulty design, manufacture or defective material. Replaced parts shall become the property of CERA SYSTEM.



- 12.1.3. Prerequisite for any of the Buyer's warranty rights, is that Buyer has fulfilled all inspection and complaint obligations required in accordance with § 377 of the German Commercial Code (HGB).
- 12.1.4. The warranty period shall commence on the day of the transfer of risk.
- 12.1.5. The Buyer shall grant CERA SYSTEM the necessary time and opportunity to carry out any necessary correction work or to remove defective parts and install newly delivered parts and shall provide auxiliary staff, equipment and operating facilities and carry out extra work at its own expense.
- 12.1.6. The removal of defective parts and the installation of newly delivered parts shall be carried out by CERA SYSTEM or by personnel authorized by CERA SYSTEM free of charge and at CERA SYSTEMS risk. Any additional costs incurred as a result of the work being carried out outside of regular working hours, additional costs for air freight or express shipments as well as additional costs arising from the transfer of the delivery item to a location other than the contractual place of use, shall be borne by the Buyer.
- 12.1.7. The liability for material defects shall not apply to natural wear and tear and parts, that, due to their material nature or usage, are subject to premature consumption, nor to damage due to improper storage, handling or use of unsuitable operating materials. The same shall apply to other circumstances occurring after the transfer of risk, which have arisen through no fault of CERA SYSTEMS.
- 12.1.8. The Buyer may only assert a claim against CERA SYSTEM on the grounds of liability for material defects if,
- a) CERA SYSTEMS instructions regarding the handling and maintenance of the delivered item have been followed and, in particular, any prescribed inspections have been properly carried out, and;
 - b) no correction work has been carried out without CERA SYSTEMS express consent; and
 - c) no parts have been installed that have not been approved by CERA SYSTEM; and
 - d) no operating materials have been used that have not been approved by CERA SYSTEM; and
 - e) no unauthorized changes have been made to the delivered item.
- 12.2. Defects in title
- 12.2.1. If the use of the delivered items leads to an infringement of intellectual property rights or copyright, CERA SYSTEM shall at its own expense, obtain the right for the Buyer to have continued use or shall modify the delivered items in a manner acceptable to the Buyer, so that the infringement of rights no longer exists.
- 12.2.2. Should this not be possible either on commercially reasonable terms or within a reasonable time, then the Buyer shall be entitled to withdraw from the Contract. Under these conditions CERA SYSTEM shall also be entitled to withdraw from the Contract.
- 12.2.3. Furthermore, CERA SYSTEM shall indemnify the Buyer against undisputed or legally established claims of the relevant intellectual property rights holders.
- 12.2.4. Subject to Clause 15 and 19, the preceding stipulations are conclusive in the event of infringement of intellectual property or copyright. They only apply if:
- a) The Buyer immediately notifies CERA SYSTEM of any alleged infringements of intellectual property rights or copyright; and



- b) the Buyer supports CERA SYSTEM in its defense against such claims to a reasonable extent and permits CERA SYSTEM to make any modifications in accordance with Clause 12.2.1; and
- c) CERA SYSTEMS right to take all defense measures, including out-of-court settlements remain reserved; and
- d) the legal defect is not the result of an instruction from the Buyer; and
- e) the legal infringement was not caused by any unauthorized modification of the delivered item by the Buyer or by virtue of use by the Buyer, which was not in accordance with the Contract.

12.3. The duration of the warranty period is based on Clause 18. In the event of subsequent performance by CERA SYSTEM, the warranty period shall generally end upon the expiry of the limitation period specified in Clause 17. However, if CERA SYSTEM examines the existence of a defect asserted by the Buyer or provides subsequent performance, the warranty period shall be suspended until CERA SYSTEM notifies the Buyer of the result of the examination, declares the subsequent performance has been completed, or refuses to provide the subsequent performance. The warranty period shall expire at the earliest 3 months after the end of the suspension.

12.4. In addition to the provisions of this Clause 12, the provisions of Clauses 13 and 15 shall also apply.

13. Buyer's right of withdrawal

13.1. Provided that the requirements by law are otherwise met, the Buyer may only withdraw from the Contract by written declaration if:

13.1.1. CERA SYSTEM has become unable to perform the Contract in full. With partial impossibility, the right of withdrawal shall only apply if the partial delivery is demonstrably of no interest to the Buyer. Otherwise, the Buyer shall be obliged to accept the partial delivery and may demand a reasonable reduction in the purchase price. If the impossibility occurs during the delay in acceptance or through some fault of the Buyer, the latter shall remain obliged to provide appropriate counter performance. If none of the contracting parties is responsible for the impossibility, CERA SYSTEM shall be entitled to a part of the purchase price corresponding to the performance provided; or

13.1.2. the Buyer has set a reasonable grace period in writing to remedy a default in delivery for which CERA SYSTEM is responsible and CERA SYSTEM has failed to meet that grace period through its own fault.

13.1.3. if the Buyer sets a reasonable grace period in writing for a remedy of a defect for which CERA SYSTEM is responsible and which is recognized by CERA SYSTEM in accordance with Clause 12.1.1, and if CERA SYSTEM has tried in vain to remedy the defect and if CERA SYSTEM has failed to meet this grace period through its culpability. Due to the complexity of the delivery item and any resulting defects, where necessary, CERA SYSTEM shall be entitled to make more than just two attempts to rectify.

13.2. In the case of Clause 13.1.2 and 13.1.3, the Buyer may only withdraw from the Contract if he can prove that his interest in the delivery has been significantly impaired as a result of the delay or defect.

13.3. At CERA SYSTEMS request the Buyer shall declare within a reasonable period whether or not he will exercise its right to withdraw from the Contract.

13.4. Otherwise Clause 15 shall apply.



14. CERA SYSTEMS right of withdrawal

Without prejudice to further statutory claims and rights in accordance with the legal regulations and in case in which the Buyer's financial situation deteriorates significantly, CERA SYSTEM may withdrawal from the Contract in whole or in part.

15. CERA SYSTEMS liability

15.1. CERA SYSTEM shall be liable as follows:

15.1.1. In the event of gross negligence

15.1.2. In the event of gross negligence, but then limited to 100% of the net order value or

15.1.3. In case of culpable injury to life, body and health or

15.1.4. In case of defects that have been fraudulently concealed; or

15.1.5. In the event of an assumed guarantee; or

15.1.6. In cases of mandatory statutory liability.

15.2. A quality/property of the delivery item shall only be considered guaranteed within the meaning of the law if this quality/property is expressly named as such in the Contract's text, e.g. as "guaranteed quality".

15.3. Claims for damages of the Buyer, beyond the liability provisions of these Terms and Conditions of delivery, including those arising from slightly negligent breach of nonessential contractual obligations, as well as claims and rights other than those listed in these Terms and Conditions or regulated in the Contract's text, are excluded.

16. Non-transferability of contractual rights

The Buyer shall not assign its contractual rights to a third party without the prior express consent of CERA SYSTEM.

17. Limitation period for defects

The Buyer's rights and claims arising from this Contract due to defects in the delivery item shall expire 12 months after delivery.

18. Special provisions for contract manufacturing

Unless the parties have agreed otherwise in writing, the following shall apply in addition to the other provisions of these general terms and conditions of delivery for each type of work whose performance is agreed within the framework of a contract for contract manufacturing (hereinafter also referred to as "Performance"):

18.1. The scope of Performance shall be exclusively governed by the Performance contract agreed between the parties (hereinafter referred to as "Production Order"). Performance within the meaning of the Production Order is only that which is expressly designated as Performance in the Production Order. If CERA SYSTEM provides services beyond the scope of the Production Order with the Buyer's consent, the provisions and conditions of the Production Order shall be deemed to have been agreed as applicable mutatis mutandis for the services provided. Services that go beyond the scope of the Production Order are those that are not expressly mentioned in the description of the Performance of the Production Order.

18.2. CERA SYSTEM shall decide at its own discretion on the type of Performance of the service, unless otherwise agreed in writing.



- 18.3. The Buyer shall specify the objective. CERA SYSTEM shall plan the Performance on this basis.
- 18.4. The Buyer shall bear the risk that the objective as well as the Performance correspond to its wishes, needs and requirements. Without delay, the Buyer shall check the objective, the planning of the Performance as well as the information required for the provision of the Performance (e.g. parameters, drawings, plans, etc.) for factual correctness, completeness, errors and discrepancies.
- 18.5. As a matter of principle, the Buyer shall provide the materials and moulds, tools, devices, etc. (hereinafter referred to as "Operating Materials") required for the Performance of the service by CERA SYSTEM at its own expense and risk and check whether they are suitable for the Performance. Where the Production Order stipulates that the procurement of the necessary materials or Operating Materials is the responsibility of CERA SYSTEM, this shall always take place against additional remuneration and the Buyer shall specify to CERA SYSTEM from which supplier which materials or Operating Materials (e.g. by indicating the part or product number) CERA SYSTEM is to procure material for the Performance. The risk that materials or Operating Materials procured from a third party do not have the quality required for the Performance shall be borne by the Buyer. CERA SYSTEM shall assume no liability for defects of the materials or Operating Materials that CERA SYSTEM procured from a third party. In this respect CERA SYSTEM hereby assigns to the Buyer all claims and rights – with the exception of repayment claims plus interest – due to defects in the materials or Operating Materials.
- 18.6. Unless otherwise agreed, the costs for Operating Materials as well as services shall be due net without discount at the time of Performance. In the case of Operating Materials with a pro rata value of EUR 2,500 net or more, an advance payment of 50% shall be made upon conclusion of the Production Order; the balance shall be due upon delivery of the first sample.
- 18.7. Any warranty or other liability on the part of CERA SYSTEM is expressly excluded:
- 18.7.1. for defects or damage based on information provided by the Buyer or caused by materials or Operating Materials provided by the Buyer or obtained by CERA SYSTEM from third parties at its own expense.
- 18.7.2. in cases where the defect or damage was caused by the Buyer's task specification;
- 18.7.3. for damage that did not occur on the Performance itself as well as for consequential damage (e.g. loss of profit and other financial losses);
- 18.7.4. in cases where the Performance of the service leads to the infringement of industrial property rights or copyrights. In such cases, the Buyer shall indemnify CERA SYSTEM against all third-party claims arising from infringement of industrial property rights or copyrights.
- 18.8. If a claim is made against CERA SYSTEM on the basis of strict liability, the Buyer shall indemnify CERA SYSTEM against such claims in full and on first demand.
- 18.9. Operating Materials, documents or other items manufactured or procured by CERA SYSTEM for the Performance of the service shall remain the property of CERA SYSTEM irrespective of whether the Buyer has made payments to CERA SYSTEM for such items or not. Drawings and other documents to which CERA SYSTEM has the ownership or copyright must not be made accessible to third parties and must be returned to CERA SYSTEM without delay upon request.
- 18.10. The Buyer may only terminate the Production Order for cause if:



- 18.10.1. it becomes fully impossible for CERA SYSTEM to fulfil the Production Order and this impossibility is not due to a default in acceptance or fault on the part of the Buyer or
- 18.10.2. if CERA SYSTEM is in default with the provision of services owed under the Contract and the Buyer has then set a reasonable deadline with the express threat of withdrawing from or terminating the Production Order after the deadline has expired and if CERA SYSTEM culpably fails to meet the grace period.
- 18.11. Claims for damages in the event of termination shall be determined in accordance with Item 15.
- 18.12. The notice of termination must be in writing.
- 18.13. With the exception of the aforementioned rights of termination, a right of the Buyer to terminate the Production Order extraordinarily is excluded.
- 18.14. If there are contradictions, inconsistencies or other incompatibilities between the provisions of this Item 18 and the other provisions of these general terms and conditions of delivery, the provisions of this Item 18 shall prevail.
- 18.15. In the case of specially manufactured products or when ordering new types, we retain the right to charge the ordering party wholly or in part for the development costs, as well as costs for matrices, tools, engravings, moulds and other manufacturing equipment, without this giving rise to any claims on the part of the ordering party.

19. Court of jurisdiction and court of arbitration

- 19.1. The place of performance shall be 07629 Hermsdorf, Germany.
- 19.2. The place of jurisdiction for all disputes arising from the contractual relationship, shall be Hermsdorf. CERA SYSTEM may also take legal action against the Buyer where their offices are registered.
- 19.3. If arbitration proceedings are agreed with a Buyer based outside Germany, all disputes arising from or in connection with the Contract or its validity as well as the validity of the arbitration agreement shall be finally settled, without recourse to the ordinary courts of law, by an arbitral tribunal constituted in accordance with the rules of arbitration of the International Chamber of Commerce, Paris, by three arbitrators in accordance with the provisions of these rules. The place of arbitration shall be Hermsdorf.

20. Governing law and binding nature of the Contract

- 20.1. The contractual relationships shall be governed exclusively by German law excluding the UN Convention on Contracts for the International Sale of Goods.
- 20.2. If a part of the Contract is invalid, the validity of the remaining part shall remain unaffected, provided the invalidity does not affect the essential principles of the Contract.
- 20.3. The contract language is German.