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Cetoni GmbH – Terms and Conditions

Cetoni GmbH (cetoni) is committed to maintaining transparent and fair business relationships with its contractual partners. Both parties need to know and accept the legal framework of these working relationships in order for them to be successful. In the interest of avoiding unnecessary disputes arising in the future, the following regulations are an integral part of the contract. By agreeing on the contract, both contract parties also accept these regulations.

- I. General
- II. General Terms and Conditions of Purchase
- III. Sale and Supply Conditions
- IV. Research and Development
- V. Loaned Equipment

I. General

Application

All supplies, purchases, services (including research and development services) and bids shall be made exclusively on the basis of these terms and conditions. The terms and conditions in force at any time shall also apply to all future business relationships with the contractual partner. Any conflicting conditions of the contractual partner shall not be recognized. Any conflicting or different conditions in an individual contract must be agreed in writing to be binding.

Data protection

The contractual partner shall collect, process and archive its information required for executing the contract in accordance with the Federal Data Protection Law (BDSG).

Place of performance, court of jurisdiction and applicable legal system

The place of performance and court of jurisdiction for all claims arising from the contract or in connection with the execution thereof is Gera. The applicable legal system is the German legal system. The language of the contract is German. If it is necessary to consult legislation as part of the contract, German law shall also apply. The United Nations Convention on Contracts for the International Sale of Goods and laws on concluding international purchase contracts shall not apply. International or German conflict of law rules shall also not apply.

Severability clause

If these conditions or individual clauses in this contract are or are rendered invalid or void, the validity of the contract and the remaining clauses shall remain unaffected. The parties shall replace the invalid or void clauses in such a way that these new clauses shall be as close as possible to the economic purpose of the contract.



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II. General Terms and Conditions of Purchase

Concluding contracts

Each supply contract shall only be deemed to be a contract once a written order from cetoni signed by an authorised signatory is received by the supplier specifying the material to be supplied, the volume and price. If an order position is unclear, the supplier is obliged to correct the unclear position in written form upon request. The contract shall be deemed a contract if it has the same content as the order drawn up by cetoni.

Delivery

The ordered goods can only be delivered to the offices of cetoni GmbH between 7 a.m. and 4:15 p.m. Monday to Friday or at delivery times agreed separately in writing. Delivery outside of these hours shall not lead to default of acceptance. The supplier shall be liable for accidental destruction or damage until cetoni GmbH accepts the goods. The supplier shall dispose of loose packaging material.

Testing for defects, returns

The duty to check the delivery is limited to a quick check on the basis of the delivery receipt for transportation damage. cetoni may raise claims for obvious defects within 2 weeks of delivery, and within 2 weeks of discovery for concealed defects. If incorrect or defective goods are delivered, the supplier is obliged to collect them or arrange for them to be collected at its own expense without delay. A daily storage charge of EUR 10.00 / m² storage space used shall be payable until collection.

Property and rights

Delivered materials become the property of cetoni upon payment. In addition to raw materials, basic materials and auxiliary materials, moulds, models, tools, as well as layouts and programs whose usage rights become the property of cetoni upon payment are considered to be materials. The supplier shall ensure that all materials are free of third party rights. If third party rights do apply, the supplier is obliged to indemnify cetoni from the claims of third parties and join cetoni in any legal dispute.

III. Sale and Supply Conditions

Concluding contracts

Each contract shall only be deemed a contract once a written order confirmation signed by an authorised signatory is received by the customer or if a contract is signed in writing by both parties with the content contained in the order confirmation or the contract. Bids shall always be subject to change unless otherwise specified. Side agreements, amendments or alterations must be confirmed in writing by an authorised representative.



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Delivery, default of acceptance, storage costs

Agreed delivery times shall begin upon conclusion of the contract but not prior to any documents, permits, third party agreements etc. which the customer has to procure being received and not prior to agreed deposits or advance payments being received. Unless agreed otherwise, the delivery shall be carried out by cetoni GmbH itself, an appointed freight company or a postal/courier service at the choice of cetoni GmbH. The customer shall bear the risk for any accidental destruction of or damage to the goods from the point of delivery. In all other respects the transport liability shall comply with the transport insurance of the respective freight company/courier or postal service. The net value of the goods shall be the limit of liability. Any agreed delivery timescales shall be extended by times when delivery/production can not happen on account of obstacles to delivery or supply for which cetoni is not responsible. If the customer refuses the delivery after the initial timescale expires and an adequate extension in such a case, it shall also be obliged to pay 25% of the agreed price as a flat-rate compensation payment. cetoni reserves the right to demand additional actual damages upon submitting proof of damage or insist upon same once the contract is fulfilled, particularly for purpose-built items. Partial deliveries are possible. If the customer does not accept the delivered goods within working hours normal for the industry (usually Monday to Friday 7:00 a.m. to 4:00 p.m.) or agreed delivery dates, it shall be in default of acceptance and shall be liable for the additional costs incurred from this point. If a repeated delivery attempt is not accepted or definitively refused, cetoni shall be entitled to withdraw from the contract and assert the legal consequences of withdrawal. If the delivery is made later than agreed at the request of the customer, the customer shall be responsible for any storage costs incurred. These shall be a daily storage charge of EUR 10.00 / m² storage space used, unless cetoni can provide proof of higher costs.

Prices

All prices listed in the order confirmation or agreed in the written contract shall be understood as net prices. Unless expressly agreed otherwise, the following components and costs shall be listed and invoiced separately.

- the legally applicable V.A.T.,
- packaging costs
- shipping/transport costs
- the cost of any transport insurance
- fees, duties, public charges, customs duties.

All prices shall be invoiced in EURO. If the client is based within the European Union, cetoni shall mark the invoices with the VAT reverse notation and not list VAT. In this case the client shall report and pay the applicable VAT separately in the country where it is based.



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Payment terms, prohibition on offsetting, right of retention

Invoice amounts shall be payable immediately. The client shall be considered in default at most 14 days after receipt of the invoice without a warning being issued. If a dispute arises about the receipt of the invoice, the client shall be in default 14 days from the delivery of the goods at the latest. The date that the payment is received is the date that the amount is credited to the bank account of cetoni. Cheques shall only be accepted on account of performance. Payment by bill of exchange shall not be accepted. If agreed deposits, advance payments or partial payments are in default, cetoni is entitled to withdraw from the contract. A 40% deposit must be made for goods worth EUR 10,000.00 or more. Advance payments (on the entire price) or safety deposits can be demanded upon agreement or if the customer was or is in default with an earlier invoice. The customer is not entitled to offset invoice amounts against its own claims unless these are recognised by cetoni or have been set with legal effect. The same applies to exercising any right of retention.

Retention of title

All supplied goods shall remain the property of cetoni until all open claims of the client arising from the entire business relationship are settled. The customer is entitled to process or sell on the supplied goods in the regular course of business. If the supplied goods are processed, connected or mixed with other goods, the goods shall not become the property of the customer; rather, cetoni shall have co-ownership of the new items produced by means of processing, connection or mixture to the proportion of the invoice value of the goods subject to retention of title to the total value of the newly produced items. In the case of goods being sold on, the customer shall cede all present and future third party receivables to the extent of all existing claims by cetoni to cetoni who accepts these third party receivables. The customer is entitled to instigate debt collection, but shall be limited to acting as an escrow in such cases. cetoni is entitled to revoke the right to debt collection and disclose the assignment in the case of delayed payments. The customer is accordingly obligated to release the identifiable address of its acceptor and the original documents required to assert the claim against same to cetoni. If legal proceedings are instigated regarding the goods or items supplied arising from the processing, connection or mixture with the goods supplied, the executing officer shall be informed of the retention of title and cetoni shall be informed without delay.

Notification of defects, guarantee

The goods supplied by cetoni are to be inspected by the customer immediately upon transfer to the customer. cetoni must be notified in writing of any defects uncovered in this inspection at the latest 14 days after discovery. If cetoni is not notified within this period, the goods shall be considered approved. If irregularities (errors or error messages) in the supplied goods become apparent after being put into operation despite being operated in an orderly manner, the customer is obligated to report these irregularities to cetoni without delay. cetoni shall not reimburse damages which are reported late or not reported. If a claim is upheld, the immediate rights of the customer shall be limited to rectification (repair or exchange of defective parts) or a replacement delivery at the discretion of cetoni.



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The customer may only assert other rights once rectification or a replacement delivery has failed twice. The limitation period for guarantee claims is one year. A guarantee is excluded if the defect is due to inappropriate operation or handling, a lack of or inappropriate maintenance, not observing assembly regulations, the use of inappropriate auxiliary material (e.g. lubricant) or damages incurred during transport or is the result of events which do not normally occur during the operation of the supplied goods (e.g. extreme vibrations, temperature variations, flooding, etc.). Attempts to repair the goods made by the customer itself or unauthorised third parties without the permission of cetoni shall result in the termination of the guarantee. The same applies to swapping parts for those that do not correspond to the specifications of the original parts. The customer shall be liable for any increased costs incurred by having the goods situated in a different location to the original delivery site. No guarantee shall be provided for second hand articles unless otherwise agreed.

Limit of liability

Liability for property damages is limited to instances of deliberate action and gross negligence. Liability for personal injury to agents is limited to instances of deliberate action and gross negligence. Liability for consequential damages is limited to the foreseeable damages typical for the contract. cetoni assumes no liability for damage caused by the goods being used for a purpose other than the intended purpose agreed in the contract without the express written consent of cetoni. cetoni shall also assume no liability if the goods are sold on by the customer or a third party without the express consent of cetoni and with no compensation being offered. The same shall also apply to damage which results from the goods being used or operated by third parties without the prior authorisation of cetoni. The liability limit is determined from the upper limit of the employer's liability insurance of cetoni. The limitation period for compensation claims is one year.

IV. Research and Development

Rights

Unless otherwise agreed, cetoni shall retain the comprehensive and exclusive right to use and exploit designs, quotes, bids, construction documents, drawings and other documents as well as software programs. These documents may only be made available to third parties or distributed with the express written permission of cetoni. They are business secrets and must be kept in confidence. The customer may not reproduce goods based on goods from cetoni without the express written consent of cetoni.

Documentation and software

Software programs shall remain the property of cetoni. After payment has been received, the customer is only entitled to a right to use the software within contractually defined boundaries. The software may not be exploited or made available to third parties without express consent. The source code shall remain the property of cetoni and is kept safe there in accordance with the applicable safe-keeping guidelines. cetoni will remedy any



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malfunctions which can only be remedied by accessing the source code without delay. Reverse engineering and alterations to the programs are not permitted.

V. Loaned Equipment

Warranty

If a defect arises in loaned equipment, the guarantee shall be limited to the furnishing of a replacement device without delay. If the only replacement equipment available is of a higher value, the customer is obligated to pay the difference.

The right to make alterations is reserved.