

## General Terms and Conditions of Sale and Delivery of Chemnitzer Zahnradfabrik GmbH & Co. KG (CZF) Status January 2025

### I. Validity

These Terms and Conditions of Sale and Delivery apply to all - including future - contracts

1. With persons who, when concluding the contract, are acting in the exercise of their commercial or independent professional activity (entrepreneurs);
2. with legal entities under public law or special funds under public law.

### II. Duty to inform

The customer shall be obliged to inform CZF if it cannot be ruled out that the products supplied will be delivered to consumers within the meaning of § 13 BGB (German Civil Code), even if they are incorporated into other products.

### III. Conclusion of contract

1. The following CZF Terms and Conditions of Sale and Delivery shall apply exclusively to all agreements and offers - including all future ones. Other terms and conditions shall not become part of the contract, even if they are not expressly contradicted.
2. all offers are subject to change. Possible agreements, promises, assurances and guarantees in connection with the conclusion of the contract shall only become binding upon written confirmation. The written form requirement is also met by transmission by e-mail.

### IV. Prices

1. Prices are net and FCA (Incoterms 2020) Chemnitz. VAT will be charged separately at the rate applicable on the day of invoicing. The prices apply only to the respective order and are not binding for repeat orders. Packaging, loading, freight and insurance costs will be charged additionally. Fees and costs for the procurement and authentication of certificates of origin, consular invoices, authorisations and the like shall be charged separately. The customer shall be entitled to return the transport packaging of our deliveries to CZF's place of business at his own expense. This packaging must be clean, free of foreign matter and sorted by material. Otherwise, the customer shall be charged for any additional costs incurred for disposal. Any additional costs incurred because of subsequent requests for changes may be charged to the customer.
2. Prices may be adjusted once a year if the costs of materials, wages, energy or other relevant cost factors change by more than 5 % compared to the time the contract was concluded. An adjustment shall be made on the basis of the commodity price index. The adjustment shall be made by written notification at least 30 days before the adjustment and may not exceed 10 % of the originally agreed price. In exceptional situations, additional material/energy surcharges may also be levied during the term of the framework agreement.

### V. Delivery and performance

1. Information on delivery and service deadlines and delivery or service dates are approximate. Delivery or performance times shall be deemed to have been met if readiness for dispatch is notified within the agreed period or a date for the provision of the service is agreed.
2. The delivery period shall be extended by the time during which CZF itself is not supplied correctly and on time. An agreed delivery period shall not commence until the customer has submitted all documents, necessary authorisations, approvals and plans to be supplied by him. Delivery periods shall also be extended appropriately if the customer fails to comply with agreed payment terms or other contractual obligations. The above shall not apply if CZF is responsible for the delay.
3. If the delivery or service is delayed due to the occurrence of unavoidable events that could not be foreseen at the time the contract was concluded (e.g. operational disruptions, official interventions, shortage of raw materials, labour disputes, energy supply difficulties), which could not be averted despite reasonable care in the circumstances of the individual case, the delivery or service period shall be extended appropriately, by a maximum of two months. If delivery or performance becomes impossible for the reasons, CZF shall be released from its obligation to deliver or perform. In this case, the contractual partner shall be informed immediately of the impossibility and any consideration already received shall be reimbursed.
4. CZF shall only be in default - except in the case of a calendar-based performance period (§ 286 II No. 1, 2 BGB) - if a reasonable deadline for fulfilment is set, unless performance has previously been seriously and definitively refused. After the unsuccessful expiry of the relevant deadline, the customer is entitled to withdraw from the contract. In such cases, claims for damages shall be governed by No. X. of these Terms and Conditions.
5. Deliveries are ex works. The risk of accidental loss and accidental deterioration shall pass to the customer when the goods are handed over to the carrier, at the latest when they leave the factory premises.
6. Reasonable partial deliveries and customary or reasonable deviations from the order quantities are permitted.
7. In the case of framework agreements, the individual call-offs must be submitted by the customer in writing, unless continuous delivery in accordance with the delivery schedule has been agreed
8. In the case of call-off orders / framework agreements, the price commitment period shall lapse after expiry of the contractually agreed term from order confirmation. In exceptional cases, a grace period of 14 calendar days may be set for acceptance and the goods or services not accepted may then be invoiced in full.

If the deadline set expires unsuccessfully, the customer shall automatically be in default of acceptance from the

15th calendar day. The originally agreed payment term shall cease to apply from this point in time and CZF may stipulate new terms and conditions.

In this case, financing costs will be incurred due to capital commitment, which will increase the price of the outstanding remaining quantity from the order. For each month of overdraft commenced, a cumulative charge of 1.5 % per month will be made in addition to the agreed unit price.

After a maximum of 6 months, the remaining quantities must be accepted in full by the customer. If the customer continues to refuse acceptance, additional costs of + 15 % p.a. on the net value of the goods in stock will be charged for the storage and handling costs incurred from the originally agreed end date of the call-off order / framework agreement, unless otherwise agreed in writing.

In addition, Chemnitzer Zahnradfabrik reserves the right in this case to withdraw from the contract and to claim compensation for the damage incurred by us in court.

## VI. Payments

1. Unless otherwise agreed, the price for deliveries or other services shall be payable without deduction within 30 days of the invoice date.

2. services (e.g. repairs, production of spare parts or other services) shall be invoiced net within 14 days without discount.

Design services (e.g. development of customised solutions or technical modifications to existing designs) shall also be invoiced net within 14 days without discount.

3. bills of exchange and cheques are not accepted as a method of payment.

4. If the customer is in arrears with payments of any kind or if there is a more than insignificant deterioration in his financial circumstances, all further payments and deliveries may be refused, and advance payment may be demanded. Such a deterioration of the financial circumstances is to be assumed, for example, if payment terms have been repeatedly exceeded or the limit set by a credit insurer has been exceeded or would be exceeded by the intended delivery.

5. If the payment term is exceeded, the customer shall pay default interest at the statutory rate, currently 9 percentage points above the respective base interest rate. The assertion of further damages remains unaffected. The above shall not apply if the customer proves that he is not responsible for the delay. If the customer is in arrears with a payment, all claims shall become due immediately unless the customer proves that he is not responsible for the delay.

6. The customer may only offset counterclaims with undisputed or legally established claims. The customer shall only be entitled to a right of retention regarding claims arising from the same contractual relationship which are undisputed or have been recognised by declaratory judgement.

## VII. Retention of title

1. CZF shall retain title to all goods and services supplied until all claims - including future claims - against the customer arising from the business relationship have been settled. In the case of inclusion in current accounts, the retention of title shall apply to the respective balance. The goods may be taken back if the customer is in default of payment. Taking back the delivered goods is tantamount to cancelling the contract. If CZF can utilise the goods in any other way in this case, the equivalent value shall be credited less any costs incurred for utilisation and return.

2. the customer shall be obliged to insure CZF's property at his own expense against fire, water damage and theft at replacement value. The customer hereby assigns any claims against the insurance company. If, upon request, the customer fails to prove that sufficient insurance has been taken out, CZF shall be entitled to insure the delivery item itself against theft, breakage, fire, water and other damage at the customer's expense.

3. The customer shall notify CZF immediately in the event of seizures, confiscations and other dispositions or interventions by third parties.

4. The customer may process the goods in the ordinary course of business or resell them subject to an extended or expanded reservation of title. He is not authorised to dispose of the goods in any other way. The customer's authorisation to process and sell the goods shall lapse if he fails to meet his payment obligations, otherwise grossly breaches obligations arising from the contract concluded with him or suffers financial collapse. Cessation of payment, over-indebtedness, application for the opening of insolvency proceedings and any serious change in the customer's financial circumstances which may jeopardise our securities shall be deemed to be a deterioration of assets.

5. Goods subject to retention of title shall be processed. In the event of joint processing for several suppliers, CZF shall be entitled to co-ownership in accordance with §§ 947 ff. BGB (German Civil Code). If the customer combines or mixes CZF's item with an item owned by CZF in such a way that the customer's item is to be regarded as the main item, the customer hereby assigns to CZF a co-ownership shares in the main item in the ratio of the value of the item to the value of the main item. CZF's co-ownership shall remain in the possession of the customer, who shall keep the item in safe custody.

6. The customer hereby assigns to us a first-ranking partial amount of the claim and ancillary rights arising from the resale corresponding to CZF's share of ownership. He shall not be entitled to agree to a prohibition of assignment. In the event of partial payment by a debtor of the customer to the customer, the claim assigned to CZF shall be deemed to have been settled last. The customer shall be authorised to collect the assigned claims in the ordinary course of business. This authorisation shall lapse in the cases specified in No. VII. 3. of these terms and conditions. The customer is then obliged to co-operate in the collection of the claim.

7. At the customer's request, the securities to which CZF is entitled under the above conditions shall be released at CZF's discretion to the extent that their realisable value exceeds the total claim to be secured by more than 10 %.

### **VIII. Liability for material defects**

1. Liability for a specific purpose shall only be assumed if this has been expressly agreed in writing prior to acceptance of the order. Otherwise, the risk of suitability and utilisation shall be borne exclusively by the customer.
2. Information published in text or drawing form, e.g. in catalogues, descriptions, illustrations and drawings, as well as dimensional, weight and performance data, merely characterise the quality of the products and do not constitute a guarantee within the meaning of § 443 BGB.
3. The customer is obliged to accept the delivery / service even if the goods only have minor defects.
4. claims of the customer due to material defects presuppose that the customer has properly fulfilled his obligations to inspect and give notice of defects in accordance with § 377 HGB. The statutory provisions shall apply to the inspection of the goods and notification of defects, with the proviso that the obligation to inspect the goods after delivery also extends to any test certificates and that we must be notified immediately in writing or in text form of any defects in the goods and test certificates. Any processing of a notice of defects by us, also the inspection of the goods after return by the customer, shall in no case constitute a waiver of compliance with the obligation to give notice of defects by the customer.
5. In the event of a justified, timely notice of defects, the customer shall be entitled to remedy the defect within a reasonable period or to deliver defect-free goods instead (subsequent fulfilment, § 439 BGB). The customer shall grant the necessary time and opportunity for subsequent fulfilment free of charge. CZF shall only bear installation and removal costs under the conditions of Section X. CZF shall not be liable for expenses incurred for the purpose of subsequent performance, in particular travel, transport, labour and material costs, insofar as these are increased by the fact that the goods have been taken to a place other than the place of delivery. Parts complained about by the customer shall only be returned on request and, if necessary, in good packaging and with a packing slip stating the order number.
6. Subsequent fulfilment may be refused if it is only possible at disproportionately high cost. This is particularly the case if they exceed 150 % of the purchase price. The customer's other statutory rights (reduction, cancellation, compensation, reimbursement of futile expenses) remain unaffected.
7. Unless otherwise provided for by law, the customer is obliged to first set a reasonable deadline for subsequent fulfilment in writing or in text form before he can assert other warranty rights. After prior consultation, the necessary time and opportunity for subsequent fulfilment shall be granted. If the customer does not immediately give CZF the opportunity to convince itself of the material defect or does not immediately make the rejected goods or samples thereof available for testing purposes upon request, the rights arising from the material defect shall lapse. If subsequent fulfilment does not take place within a period promised by CZF, the customer shall be entitled to assert the statutory rights, to withdraw from the contract, to demand a reduction in the purchase price or - under the conditions of No. X. of these terms and conditions - to claim damages. No deadline need be set if CZF has finally and

seriously refused subsequent fulfilment or if subsequent fulfilment is impossible.

8. Withdrawal from the contract is excluded if the purchased item has insignificant defects. Insignificant defects shall be deemed to exist in the case of only insignificant deviations from the contractually agreed quality and in the case of only insignificant impairments of the usability of the goods assumed under the contract.
9. The customer can only demand compensation instead of performance if the delivery of the defective item constitutes a significant breach of duty.
10. Compensation for damages due to any collateral damage that occurs independently of subsequent fulfilment (e.g. loss of production, loss of profit, claims due to delayed delivery to the customer's customers, etc., § 280 BGB) can only be asserted if a previously set reasonable deadline for subsequent fulfilment in writing or in text form has expired without success. Otherwise, No. X. of these terms and conditions shall apply to claims for damages.
11. The warranty period for material defects is 12 months from the transfer of risk.
12. The limitation period in the event of a delivery recourse according to §§ 478, 479 BGB remains unaffected; it is two years according to § 475 para. 2 BGB, calculated from delivery of the defective item.

### **IX. Liability for defects of title**

1. CZF shall be liable for defects of title in delivered goods to the extent permitted by law. Unless otherwise agreed, it can only be guaranteed that delivered products do not infringe industrial property rights or copyrights of third parties in Germany. CZF shall not be liable if the infringement of such industrial property rights is based on instructions given by the customer, or if the infringement is caused by unauthorised modifications to the product or use of the product by the customer that deviates from the contractual use.
2. The contractual partner shall inform CZF immediately as soon as third parties assert an infringement of property rights.
3. Regarding the warranty period, No. VIII. 11. of these terms and conditions shall apply accordingly.
4. If justified claims are asserted by third parties within the warranty period, CZF may, at its own expense, either obtain a right of use for the deliveries concerned or modify the deliveries, considering the contractual purpose, in such a way that industrial property rights are not infringed or supply comparable products which do not infringe industrial property rights.

### **X. Compensation/liability**

1. the CZF shall only be liable for damages, irrespective of the legal grounds
  - if the legal representatives or their vicarious agents have acted wilfully or with gross negligence;
  - if guarantees have been given for the fulfilment of these guarantees to the agreed extent;

- - in the event of injury to life, limb or health;
  - - in cases of other mandatory statutory liability (Product Liability Act, etc.);
  - - in the amount of damage actually incurred and proven.
2. In cases of slight negligence, CZF shall be liable for damages, regardless of the legal grounds, only in the event of a breach of material contractual obligations, unless a case of paragraph 1. exists. In the event of a slightly negligent breach of material contractual obligations, liability for damages shall be limited to compensation for typical foreseeable damage, unless these terms and conditions contain further restrictions (cf. No. V. 4. of these terms and conditions). The customer is obliged to point out special risks, atypical damage possibilities and unusual amounts of damage in writing or in text form before the contract is concluded. Liability for any further consequential damages, lack of economic success, indirect damages and for damages arising from third-party claims is excluded.
  3. The above provisions shall apply accordingly to claims for reimbursement of futile expenses (§ 284 BGB).
  3. The place of performance, payment and fulfilment for all obligations arising from the legal relationship with the customer is Chemnitz. Agreements on the bearing of costs do not imply any change to the above place of fulfilment.
  4. In case of doubt, the German version of these General Terms and Conditions of Sale and Delivery shall prevail.

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## **XI. Industrial property rights**

1. for all documents, objects and the like handed over for the purpose of delivery or performance, the customer shall be responsible for ensuring that the industrial property rights of third parties are not infringed thereby. The customer shall draw attention to any known third-party rights. The customer shall indemnify CZF against any third-party claims and compensate CZF for any damage incurred. If the service, manufacture or delivery is prohibited by a third party with reference to an industrial property right belonging to him, the customer shall be entitled - without checking the legal situation - to stop the work and demand compensation for our expenses. Documents, objects and the like provided to CZF which have not resulted in an order shall be returned upon request against reimbursement of costs. Otherwise, they may be destroyed three months after submission of the offer.
2. CZF reserves the right of ownership and copyright to all samples, models, drawings, cost estimates, calculations and similar information of a physical or non-physical nature - including in electronic form. Such information may not be made accessible to third parties. If the contractual partner receives such information in connection with the initiation of the contract, he is obliged to return it to us free of charge if the contract is not concluded. The contractual partner is obliged to make all information that is expressly designated as confidential accessible to third parties only with our express consent.

## **XII. Final provisions**

1. German law shall apply to all orders placed. The provisions of the Vienna UN Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) shall not apply.
2. The exclusive place of jurisdiction is Chemnitz. However, the customer shall be entitled to sue at his general place of jurisdiction or at the place of jurisdiction responsible for his place of business.