

Standard Terms and Conditions

Scope

1. These Standard Terms and Conditions (hereinafter referred to as “**STCs**”) apply to entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB), legal entities under public law and special funds governed by public law (hereinafter referred to as the “**customer**”).
2. All of our deliveries and services, especially those under purchase contracts, contracts for work and materials, and service contracts, and including consulting and other ancillary services (hereinafter referred to as the “**delivery**” or “**deliveries**”), shall be made on the basis of these STCs. Any terms and conditions of the customer that deviate from or supplement these STCs or statutory provisions shall only apply with our express written acknowledgement. Even if we do not reject terms and conditions of this kind on receipt by us or if we carry out deliveries unconditionally, this does not imply that we are acknowledging such terms and conditions.
3. These STCs shall also apply to all our future deliveries to the customer as part of an ongoing business relationship.

Quotation

4. Our quotations are subject to change and are not binding. Documents belonging to the quotations such as illustrations, drawings, data on weights or dimensions or any technical information, as well as technical standards, samples, material characteristics and sales prospectuses referred to in such documents merely indicate the subject matter of the contract and only constitute a quality agreement if they are expressly indicated as such. A warranty of quality shall also only apply if it is expressly indicated as such in writing by us. A contract shall only arise once the customer has placed an order and we have confirmed the order in writing or performed the delivery. We have two (2) weeks to accept an offer of a contract from the customer; if this contract offer specifies a longer acceptance period, then we have until the end of this period to accept the offer. The customer remains bound by the terms of its contract offer until the end of the relevant period. Insofar as a confirmation from the customer deviates from our order confirmation, the customer shall highlight the deviations specifically as such; deviations of this kind shall only become an integral part of the contract with our written agreement. Collateral agreements, amendments, supplements, etc. require written confirmation.

Deadlines and payment

5. Unless expressly agreed otherwise, invoices shall be due for payment on receipt, without any deductions. If there has been specific agreement in an individual case to accept cheques, this shall only be for the purpose of fulfilment, with crediting on the value date, subject to receipt. The customer shall bear any discounting and collection costs. If the customer defaults on its payments, we shall be entitled – without prejudice to further claims on our part – to demand default interest at a rate of nine percentage points above the base rate. If we have several claims on the customer, Section 366(2) of the BGB shall apply.
6. The customer may only make a set-off against our claim if it has a claim with the force of a final judgement or a claim which we have specifically acknowledged or if the customer’s claim is based on the same contractual relationship as ours and is related to it to a reasonable extent. The same applies to the assertion of rights of retention.
7. Insofar as we are not obliged to perform preliminary work, we shall be permitted to withhold deliveries under the business relationship with the customer on account of our own due claims on the customer until we have been given what we are due. If, after the contract has been concluded, the customer’s financial situation is seen to deteriorate significantly, thus jeopardising a claim of ours on it, especially in the event of suspension of payment, an application being made to open insolvency proceedings regarding the customer’s assets or a bill or cheque being protested, we shall, if we are obliged to perform preliminary work, refuse to carry out any outstanding deliveries unless we are furnished with adequate collateral. If the customer fails to furnish collateral by a reasonable deadline set for it, we shall be entitled to cancel the contract without prejudice to any other rights of cancellation. This does not apply if the customer makes payment in advance.

Delivery

8. Adherence to time limits and dates shall be subject to final clarification of any technical details and, if necessary, the punctual supply of specifications to be notified or any documents, consents, releases etc. to be obtained by the customer, and the fulfilment of any other obligations to cooperate on the part of the customer and, where required, the receipt of the contractually agreed downpayment. Our delivery obligations are contingent on us being supplied properly and promptly by our own suppliers. If any deliveries are delayed or are not made as a result of circumstances for which we are not responsible, including stoppages, strikes, lock-outs, traffic delays or other specifically unforeseeable obstacles which affect us or our suppliers, we shall be entitled to make the delivery later by the corresponding length of time. If these circumstances persist for more than six weeks, we and the customer shall be entitled to cancel the contract. This shall not entitle the customer to claim compensatory damages. The notice of cancellation must be in writing.
9. In accordance with the statutory provisions, the customer may only cancel the contract on grounds of late delivery if we were responsible for the deliveries being delayed. This shall not affect any statutory termination rights. The notice of cancellation must always be in writing. If the delay relates to one part of the delivery, the cancellation right shall also be restricted to the affected part if, on an objective assessment, the rest of the contract is not affected by limiting the cancellation right in this

way. Unless due to intent or gross negligence, any entitlement alongside performance to compensatory damages on the customer's part on account of a delay shall be limited to 0.5% of the net value of the (part-) delivery involved for each full week of delay up to a maximum of 5% in total.

10. Unless agreed otherwise, the clearance (loading and issuing requisite documents) of all deliveries which we dispatch shall be at the risk and expense of the customer. Insofar as we handle transport on the customer's behalf and unless agreed otherwise, we shall specify the means and route of dispatch as well as the forwarder and carrier. Insofar as we handle transport on the customer's behalf, we shall only take out transport insurance if the customer expressly instructs us to and covers the costs. If a delivery is damaged or incomplete, a report of the relevant facts must be made immediately after receipt. The risk of accidental loss and accidental deterioration in accordance with a purchase contract or contract for work and materials shall pass to the customer when the delivery is picked out and deemed ready for dispatch to the customer, however, no later than the time it leaves our factory. This shall also apply if and to the extent that the goods are dispatched using our own means of transport. If acceptance is required by law or contractually agreed, the risk of accidental loss and accidental deterioration of the delivery shall pass to the customer as soon as the delivery is in the customer's possession, however, no later than on acceptance. If dispatch is delayed due to fault on the part of the customer or because the customer fails to cooperate when it had an obligation to do so, the risk of accidental loss and accidental deterioration shall pass to the customer as soon as it falls behind with its acceptance obligations. A delay of this kind will entitle us to store the delivery at the customer's risk and after a waiting period of one month demand compensatory damages for the loss thus incurred, especially storage costs. For this, we will charge a flat-rate compensation fee of 1% of the net invoice amount in case of advance payment and 2 % of the net invoice amount in case of invoice payment for each month or part thereof since the customer fell behind with its acceptance obligations. We reserve the right to prove that the losses incurred were more severe and retain our statutory rights (especially compensation for additional expenses, termination, cancellation); however, the flat-rate fee is to be added on to any more extensive pecuniary claims. The customer is entitled to prove that we did not incur any losses whatsoever or that the losses we did incur were significantly more minor than the flat-rate fee being demanded. Forwarding instructions from the customer shall only be binding if they were explicitly agreed. Additional costs if the customer requests expedited dispatch contrary to the original agreement or for another mode of dispatch or use of another means of transport shall be invoiced to the customer. We are entitled to make part-deliveries and, if we have provided prior notification, to deliver early unless part- or early deliveries would be unreasonable for the customer.
11. Inspection certificates in accordance with DIN-EN 10204-3.1. B will be charged at €25.

Guarantee

12. Production-related over- or underdeliveries of up to 5% of the ordered purchase order volume do not constitute a defect.
13. Claims due to shortcomings in our deliveries require the customer to have properly complied with its obligation to investigate and to raise a complaint. We must be notified in writing of any obvious shortcomings without delay, but within three working days of dispatch at the latest; in the case of hidden shortcomings, we must be notified in writing without delay, but within three working days of the shortcoming being discovered. If the items that we delivered are repaired without our involvement and without us first having been asked to rectify the shortcoming, or if items that we delivered are modified, processed, treated, transfigured, or maintenance or installation instructions not followed, then our liability for breach of guarantee shall lapse in this respect.
14. If products are manufactured based on design documents received by the customer, we shall not be liable for any shortcomings due to these design documents. If it is at fault, the customer shall be under an obligation to indemnify us against any claims for damages brought against us by a third party under the law concerning liability, the causes of which were not in our area of manufacture but were the responsibility of the customer.
15. In the event of shortcomings with our deliveries, we shall be entitled and obliged to rectify the shortcoming as we see fit or to provide a delivery that is free of shortcomings. If the form of rectification that we choose is unsuccessful, the customer shall be entitled to cancel the contract. There shall be no entitlement to a reduction. Claims for compensatory damages due to shortcomings and a breach of the rectification obligation shall be determined based on clause 18 and on clause 15 below.
16. Claims and rights arising from delivery shortcomings become statute-barred one year after the statutory start of the limitation period. By way of derogation from the above, the statutory limitation period shall apply in the case of Section 438(1) no. 1 a) (real right of a third party) and b) (right entered in the land register), Sections 438(1) no. 2 BGB and 634a(1) no. 2 BGB (building; object that has been used for a building in accordance with the normal way it is used and has resulted in the defectiveness of the building and/or planning or monitoring services for this purpose), in the case of recourse claims in accordance with Section 479(1) BGB and in the event of fraudulent intent. The statutory limitation period also applies to claims for compensatory damages arising from a case of liability due to intent or gross negligence, injury to life, limb or health, or in accordance with the German Product Liability Act.

Transfer and retention of title

17. Deliveries shall remain our property until payment in full of all debts due and owing to us in connection with our business relationship, including any future debts (regardless of the legal basis for such claims, i.e. including any claims arising out of bills of exchange and claims acquired from third parties). As regards current accounts, our security shall be deemed to be security for the account balance in question. If the customer acquires sole or joint ownership by linking, blending, combining or processing or machining our delivery (with other deliveries), then we shall have ownership in proportion to the value of our delivery compared with the other linked, blended or combined items. Processing or machining pursuant to Section 950 BGB shall take place on our behalf, but we shall not be under any obligation thereby. If this clause conflicts with any clauses of

the parties which supplied further individual parts used, the processing shall be undertaken jointly for all and our share shall be determined by the proportion which our delivery bears to the remainder. Custody shall in all cases be free of charge. The value of our delivery shall be determined according to our delivery price including VAT and without any deduction of cash discount. Exploitation or transfer of ownership by way of security of the delivery by us or in our joint ownership shall be prohibited until all pecuniary claims we have against the customer under the business relationship have been satisfied unless the customer is purchasing our delivery in order to sell it on. In this event, it is entitled on a revocable basis to resell the property subject to the reservation of title (reserved goods) in its own name within the scope of the ordinary course of business, provided that the debt due from the resale is assignable.

In the case of disposals within the scope of current account transactions, our extended reservation of title relates to the current account claim or, after balancing the accounts, to the claim for the balance. We are entitled to revoke permission for resale if a) the customer defaults on payments under the business relationship, b) the customer obtained the goods subject to retention of title by means of improper business dealings, or c) the customer's financial situation is seen to deteriorate significantly after the contract has been concluded, jeopardising a claim of ours, especially in the event of suspension of payment, an application being made to open insolvency proceedings regarding the customer's assets or a bill or cheque being protested. Disposal in terms of this paragraph shall also mean the installation of the reserved goods into real property or into any construction, and the use to fulfil other contracts of manufacture or contracts for work and materials. If the reserved goods are disposed of, the customer shall assign to us the claims arising out of the resale up to the value of the reserved goods which we have delivered, together with all subsidiary rights. This shall also apply to cases in which a resale was not permitted in terms of the above restrictions. We hereby accept such assignment. The value of our reserved goods shall be determined from our delivery price including VAT and without any deduction of cash discount. The customer is entitled, on a revocable basis, to collect the debts due even after the assignment. This shall not affect our authority to collect the debts due ourselves. However, we undertake not to collect such debts as long as the customer is properly fulfilling its payment obligations. The customer must, upon our demand, notify us of the debts assigned and the debtors and their addresses, provide all details required for collection, hand over the relevant documents and notify the debtor of the assignment. We are authorised to notify the third-party debtor of the assignment of debt on behalf of the customer.

We undertake to release the collateral available to us at the customer's request if the realisable value of the collateral exceeds the claims to be secured by more than 10% overall.

18. The customer may not assign claims which it has against us in connection with the business relationship.

Liability

19. Claims for damages and reimbursement of expenses on the part of the customer are excluded, regardless of their legal grounds. This exclusion of liability does not apply:
 - a) in the event of liability under the German Product Liability Act;
 - b) in cases of intent or gross negligence;
 - c) in the event of culpable injury to life, limb or health;
 - d) in the event of a breach of material contractual obligations, i.e. obligations that must be complied with before the contract can be properly performed and on whose fulfilment the customer regularly relies and is entitled to rely. However, liability due to the breach of material contractual obligations is limited to compensation for foreseeable damage typical of a contract of this kind unless we are liable due to intent or gross negligence, injury to life, limb or health, or under the German Product Liability Act.

Insofar as our liability is excluded or limited in accordance with the above provisions, this shall also apply to the corresponding personal liability of our employees, vicarious agents and legal representatives.

The above provisions do not serve to shift the burden of proof in a way that disadvantages the customer.

In the event of losses due to delays, the provision in clause 9 takes priority over the above provisions.

Property rights

20. Insofar as deliveries and services are performed based on drawings, illustrations, specifications or other information from the customer, the customer shall be obliged to ensure that delivery or performance does not infringe any property rights or copyright (hereinafter referred to as "property rights") of third parties. In this respect, we assume no liability for our deliveries and services being unaffected by third-party property rights and are not obliged to investigate the legal situation. Claims for compensatory damages on the part of the customer are excluded in this case. Should third parties forbid us from producing and delivering by invoking property rights to which they are entitled, we shall be entitled to refuse delivery or performance. The customer shall be required to provide compensation for losses and expenses that we incur due to the culpable breach of property rights and indemnify us against third-party claims in such a case.

Foreign trade law

21. The performance of a contract with the customer is contingent on it not encountering any obstacles due to national or international provisions of foreign trade law, any embargoes or any sanctions.

Conditions of delivery and transport

22. All prices are quoted in respect of delivery ex works, including loading at the works and including standard packaging, but plus value added tax at the applicable statutory rate, insofar as this is applicable. Costs relating to customs, import and other additional charges shall be borne by the customer. A low-quantity surcharge of €90.00 is applicable in the case of orders that merely encompass a net value of goods below €250.00.
23. If, contrary to clause 22, a delivery is made to the customer or to an agreed location, this shall be understood as a "freely accessible loading point" at the customer or the agreed location. We charge a percentage surcharge of up to 1.5% on the net value of the goods for deliveries to the customer or to an agreed location for flat-rate freight/packaging/toll costs, which is shown separately on the quotation, the order confirmation and the invoice.

For delivery to the customer within Germany, the following freight flat rates shall apply in addition to the freight/packaging/tolling flat rate:

For goods worth more than €3,000, there is no additional flat-rate freight charge. For net goods values between €1,500 and €3,000 we charge a freight flat rate of €120, for net goods values between €500 and €1,499 the freight flat rate is €180. For deliveries of less than €500, the freight costs incurred will be charged in full. Deliveries are made at the buyer's risk.

Special delivery agreements for the sale of pipes and fittings

24. Pipes > d 630 mm and delivery lengths in excess of 6 m, customised fittings, customised components, shafts and other deliveries are delivered ex works and charged to customer.

Miscellaneous provisions

25. Trade terms shall be interpreted in accordance with Incoterms 2010.
26. The place of performance for all deliveries, payments and other obligations is Kirn, Germany (post code 55606). If the customer is a merchant, a legal entity under public law or a special fund governed by public law, or if the customer does not have a general place of jurisdiction in Germany, then the courts at the location of our registered office (55606 Kirn, Germany) shall have local jurisdiction in respect of all claims arising from the business relationship. However, we reserve the right to bring actions against the customer in his general place of jurisdiction or before any other competent court.
27. The contractual relationship shall be governed by German law, excluding the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention/CISG).
28. If any of the above provisions should be void in whole or in part, this shall not affect the validity of the remaining provision(s) or the contract. This is a convenience translation of the original German document ("Allgemeine Geschäftsbedingungen"); only the German original shall be deemed legally binding.

(Version dated February 2019)