

General terms of sale and delivery

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I. Offer

The documents enclosed with the offer (diagrams, drawings, weight and measurement details, etc.) are only binding insofar as they are expressly described as binding. The supplier reserves the property right and copyright to cost estimates, drawings and other documents: They may not be made accessible to third parties. The supplier undertakes to only make plans described as confidential by the buyer accessible to third parties with his consent.

II. Scope of delivery and contractual contents

1. The written order confirmation of the supplier is decisive for the scope of the delivery. Insofar as no order confirmation has been issued the scope of delivery shall be derived from the supplier's offer.
2. Oral agreements, which were reached with employees or representatives of the supplier require the supplier's written confirmation in order to be valid. The same shall apply to collateral agreements and amendments to the contract.
3. Partial deliveries are permitted.
4. Cases of force majeure release from the delivery obligation.

III. Price and payment

1. In the absence of special agreement the prices and conditions which are respectively valid on the date of the delivery shall apply. The prices shall apply ex works plus value added tax in the respective applicable rate. Confirmed prices in the non-commercial transactions are binding if the delivery is made within four months after confirmation of the order. After this time the supplier reserves the right to correspondingly increase the prices with an increase in the production costs. In commercial business transactions the right is reserved to also adjust the prices within the 4-month deadline with an increase in the production costs. Insofar as the supplier states prices for the resale these shall be deemed as non-binding recommended retail prices.
2. The delivery is made ex works insofar as not otherwise confirmed in the supplier's order confirmation. The supplier is entitled to freely choose the type of shipment at his discretion.
3. The packaging will be charged at cost price insofar as not otherwise confirmed in the order confirmation.
4. In the absence of a special agreement the payment is to be made without any deduction free paying agent of the supplier within 30 days. From invoice date 14 days 2 % cash discount, 30 days net insofar as not otherwise stated. Interest on default shall be charged with the customary bank interest rate.
5. All invoices are issued in € and are payable in €. The supplier shall not assume any liability for the timely submission or the provision of the bill of exchange or check deed of protest for bills of exchange and cheques. Collection costs shall be for the account of the buyer. The incurred cost rates will be reimbursed. The representatives of the supplier are entitled to collection. In case of payment difficulties or suspension of payment by the buyer all claims shall be due and payable immediately. The right of retention is excluded. Offsetting is merely permitted with undisputed claims or claims declared as final and binding.

IV. Delivery time

1. All details relating to delivery time are only binding insofar as they have been expressly described as binding.
2. The delivery time shall begin with the sending of the order confirmation, however not before the provision of the documents, approvals, releases which are to be procured by the buyer as well as before receipt of an agreed downpayment.
3. The delivery deadline has been observed if the object of delivery has left the plant by its expiry or the notification has been given that the goods are ready for shipment.
4. The delivery deadline shall be extended to a reasonable extent in case of measures within the framework of industrial disputes, in particular strike and lock-out as well as with the occurrence of unforeseen impediments, which are beyond the supplier's control, insofar as such impediments as proven have substantial influence on the completion or delivery of the object of delivery. This shall also apply if the circumstances occur at sub-suppliers.
5. If the shipment is postponed at the buyer's request he shall, beginning one month after notification that the goods are ready for shipment, be charged the costs incurred through the storage, with storage in the supplier's plant at least however 1 per cent of the invoice amount, for each month. However, after setting and the unsuccessful expiry of a reasonable deadline the supplier is entitled to otherwise dispose of the object of delivery and supply the buyer with a reasonable extended deadline.
6. Claims of the buyer owing to non-observance of a delivery deadline presume that he satisfied his contractual obligations.

V. Passing of risk and acceptance

1. The risk shall pass to the buyer by no later than when the delivered parts are sent also if partial deliveries are made. At the buyer's request the shipment shall be insured by the supplier at the buyer's costs against theft, breakage, transport, fire and water damages as well as other insurable risks.
2. If the shipment is delayed as a result of circumstances for which the buyer is responsible then the risk shall pass to the buyer from the date upon which notification is given that the goods are ready for shipment.
3. Delivered objects are, even if they feature insignificant defects, to be accepted by the buyer irrespective of the rights from Section VIII.

VI. Reservation of title

1. The supplier reserves the right to the ownership to the object of delivery until the receipt of all payments from the supply contract. In case of payment by bill of exchange or cheque the reservation of title shall continue to exist until these are encashed.
2. The supplier is entitled to insure the object of delivery at the buyer's costs against theft, breakage, fire, water and other damages insofar as the buyer has not as proven taken out the insurance himself.
3. The buyer may neither pledge nor assign as collateral the object of delivery. He must inform the supplier immediately in case of attachments and seizure or other disposals by a third party.
4. In case of conduct of the buyer which is in breach of the contract, in particular in case of default of payment the supplier is entitled to take the goods back after a reminder and the buyer is obligated to hand the goods over. The assertion of the reservation of title and the attachment of the object of delivery by the supplier shall not be deemed as a cancellation from the contract, insofar as the law governing repayments does not apply. The buyer is entitled to resell the object of delivery in ordinary business transactions. However, he hereby now already assigns all claims to the supplier to which he is entitled from the sale (extended reservation of title).
5. In addition for overseas business: The supplier reserves the property right to the delivered goods until the final payment of the purchase price according to the respective statutory provisions of the foreign country of destination. This reservation of title is deemed as expressly agreed between the supplier and the buyer. Insofar as the country of destination allows other security rights instead of the reservation of title the security right shall be deemed as agreed which shall as far as possible

VII. Workpiece-related production equipment

1. Insofar as workpiece-related models or production equipment are produced or procured by the supplier by order of the buyer the supplier shall not invoice any costs for this. Insofar as only cost shares were charged the buyer shall also bear the residual costs if he does not purchase the numbers of units he had indicated when the contract was concluded or if the buyer requests that the models or production equipment are handed over.
2. The models and production equipment are the property of the buyer, however shall remain in the supplier's possession.
3. The models and production equipment shall be used exclusively for deliveries to the buyer as long as he satisfies his purchase and payment obligations towards the supplier.
4. All models and production equipment shall be handled with due care and attention by the supplier. Upon request of the buyer his models and production equipment shall be insured at his costs. Further claims from the damage to or the loss of models and production equipment are excluded.
5. If deliveries are made according to drawings or other information of the buyer and if property rights of third parties are infringed hereby the buyer shall indemnify the supplier from all claims

VIII. Liability for defects to the delivery

The supplier shall be liable for defects to the delivery, which also include the absence of expressly warranted qualities, under the exclusion of further claims as follows:

1. All parts are to be improved or delivered new free of charge at the reasonable discretion and the choice of the supplier, which are determined to be useless or significantly impaired in their usability within 24 months since the commissioning as a result of a circumstance which existed before the risk was passed – in particular owing to faulty construction method, bad building materials or faulty design. The determination of such defects is to be reported to the supplier immediately in writing. Replaced parts shall become the property of the supplier. If the shipment, the installation or the commissioning is delayed without the supplier's fault then the liability shall lapse by no later than 30 months after passing of the risk. The supplier's liability for third party products is limited to the assignment of the liability claims, to which he is entitled against the supplier of the third party product.
2. The buyer's right to assert claims from defects shall become statute-barred in all cases within 24 months from the time of the timely report of complaint, no earlier however than with the expiry of the warranty period.
3. No warranty is assumed for damages which were suffered for the following reasons: Unsuitable or improper use, faulty assembly or putting into operation by the buyer or third party, natural wear and tear, faulty or negligent handling, unsuitable equipment, substitute materials, faulty building work, chemical, electro-chemical or electrical influences, non-compliance with standards, regulations, etc. and with information and instructions of the supplier insofar as they are not a result of a fault of the supplier.
4. The buyer must give the necessary time and opportunity, after coordination with the supplier, for the undertaking of all improvements and replacement deliveries which appear necessary at the reasonable discretion of the supplier, otherwise the supplier is indemnified from the liability for defects. Only in urgent cases of danger, the operational safety and to avoid disproportionately greater damages, whereby the supplier is to be informed immediately, or if the supplier is in default with remedying the defect, shall the buyer be entitled to remedy the defect himself or have it remedied by third parties and demand reimbursement of the necessary costs from the supplier.
5. Of the costs incurred through the improvement or replacement delivery the supplier shall bear – insofar as the complaint turns out to be justified – the costs for the substitute piece including the shipment. Incidentally, the buyer shall bear the costs.
6. The warranty period for the substitute piece and the improvement is six months. However, it shall at least apply until expiry of the original warranty period for the object of delivery. The deadline for liability of defects to the object of delivery shall be extended by the duration of the interruption to operation caused through the subsequent improvement work.
7. The liability is excluded for the consequences arising through improper changes or repair work which may have been carried out on the buyer's part or by third parties without the supplier's prior consent.
8. Further claims of the buyer, in particular a claim for compensation of damages, which were not suffered to the object of delivery itself, are excluded. This liability exclusion shall not apply in case of wilful intent or gross negligence, with the culpable breach of essential contractual duties and in the cases, in which liability is to be assumed according to the Product Liability Law with faults to the object of delivery for physical injuries or property damages to privately used objects. Neither shall it apply with the absence of properties, which have been expressly warranted, if the aim of the warranty was particularly to secure the buyer against damages, which were not suffered to the object of delivery itself.
9. The supplier shall not be liable for follow-up damages from faulty software.

IX. Liability

1. Subject to the exceptions set out below, the Supplier is not liable, particularly not for claims of the Customer to damages or compensation for expenditures, regardless of the legal basis therefor, in the case of violation of obligations arising out of the relationship of obligation.
2. The foregoing exclusion of liability pursuant to Sec. IX.1 does not apply to the extent that liability exists based on non-waivable provisions of law, nor does it apply in the following cases:
 - a. to violations of obligations on the Supplier's own part through intent or gross negligence or violations of obligations on the part of statutory representatives of the Supplier or agents in the performance of the Supplier's contractual obligations through intent or gross negligence;
 - b. to violation of essential contractual duties. "Essential contractual duties" means those duties and obligations that protect the Customer's legal positions that are essential to the contract, which the contract is, according to the content and purpose thereof, specifically supposed to grant to the Customer; also deemed "essential" are those contractual duties whose fulfillment renders the proper implementation of the contract possible in the first place and that the Customer has normally trusted, and is normally permitted to trust, will be complied with;
 - c. in the event of bodily injury, loss of life, or impairment of health, including through the Supplier's statutory representatives or agents in the performance of its contractual obligations;
 - d. in the event of default, to the extent that a fixed time of delivery and/or performance was agreed;
 - e. to the extent that the Supplier has furnished a guarantee for the quality of its goods or for the existence of a specific outcome of the services or has assumed a procurement risk within the meaning of Sec. 276 of the German Civil Code (BGB);
 - f. in the case of liability pursuant to the German Product Liability Act (Produkthaftungsgesetz) or other circumstances that establish liability pursuant to non-waivable provisions of law (such as in the case of deceit).
3. In the event that the Supplier or any of its agents in the performance of its contractual obligations is responsible only for ordinary negligence and the

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circumstances do not fall under any of the provisions of Sec. IX.2, (d), (e), and (f) above, the Supplier's liability is limited to the damage and/or losses that are foreseeable and typical of the contract, even in the event of violation of essential contractual duties.

4. Claims of the Customer for damages arising out of this contractual relationship can only be asserted within a limitation period of one year from the start of the statutory limitation period. This does not apply if the Supplier is responsible for intent or gross negligence, to claims regarding bodily injury, loss of life, or impairment of health, in the case of a claim based on a tortious act or on a warranty that has been expressly provided or assumption of a procurement risk pursuant to Sec. 276 BGB, or in the event that a longer limitation period applies on a mandatory basis by law.

5. The exclusions and/or limitations of liability apply in the same scope for the benefit of the Supplier's corporate bodies, executive and non-executive staff, and other agents in the performance of the Supplier's contractual obligations as well as the Supplier's subcontractors.

correspond with the effect of the reservation of title.

General terms and conditions with regard to technical data and other information:

The details and technical data contained in catalogues, brochures and other written documents as well as on IT data carriers, such as for example in drawings and proposals are to be examined by the buyer or the planner before they are taken over and before application. The buyer or planner cannot derive any claims whatsoever against the supplier from these documents and additional services unless there is a case of wilful intent or gross negligence. The supplier reserves the right to make changes to its products – also to those for which an order has been placed – without prior announcement within the framework of that which is deemed reasonable and appropriate.

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X. Returns

- a. Returns shall only be accepted after a prior, special written agreement. A credit will only be granted for serial products of the delivery programme "heating fittings" in the amount of the invoice minus 25% processing costs.
- b. Orders for special productions or changed serial fittings can no longer be cancelled after order processing and are excluded from being taken back.

XI. Place of jurisdiction, recognition of these terms and conditions, partial nullity

With all disputes arising from the contractual relationship, if the buyer is a full merchant, a legal entity under public law or separate assets under public law, the action is to be filed at the court which has jurisdiction for the headquarters or the branch of the supplier carrying out the delivery. The supplier is also entitled to file action at the buyer's headquarters. The buyer recognises these general terms of the supplier when the order is placed. Terms of purchase of the buyer which contradict these terms shall not apply. Deviating agreements must be made in writing.

Should individual clauses of the afore-mentioned terms and conditions be invalid in full or in part this shall have no effect on the validity of the other clauses or the other parts of such clauses. An invalid regulation shall be deemed as replaced by such a regulation which shall as far as possible correspond with the commercial intention of the invalid regulation and is effective.

Supplementary clause: Extended reservation of title

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The following simple and extended reservation of title is agreed:

- a. The objects of the deliveries (reserved goods) shall remain the supplier's property until the satisfaction of all claims to which he is entitled against the buyer from the business relationship. Insofar as the value of all security rights, to which the supplier is entitled, exceeds the amount of all secured claims by more than 20 %, the supplier shall, at the buyer's request, release a corresponding part of the security rights.
 - b. During the existence of the reservation of title the buyer is not permitted to pledge or assign as collateral the goods and the resale is only permitted for resellers in customary business transactions and only under the condition that the reseller receives a payment from his customer or makes this subject to the reservation that the ownership will only pass to the customer when it has satisfied its payment obligations.
3. If the buyer resells reserved goods he hereby now already assigns his future claims from the resale against his customers to the supplier as a precautionary measure with all secondary rights - including possible balance claims, without this requiring subsequent special declarations still. If the reserved goods are resold together with other objects, without a single price having been agreed for the reserved goods, then the buyer assigns, with precedence over the other claim, that part of the total price claim to the supplier, which corresponds with the price of the reserved goods invoiced by the supplier.
 - 3.1. In case of the substantiation of a justified interest the buyer must provide the supplier the information which is necessary for asserting his rights against the customer and hand over the necessary documents.
 - 3.2. Until further notice the buyer is authorised to collect the assigned claims from the resale. With the existence of an important reason, in particular with default of payment, suspension of payment, opening of insolvency proceedings, bill of exchange protest or justified indications of over-indebtedness or threatened insolvency of the buyer, the supplier is entitled to revoke the buyer's collection mandate. In addition, the supplier can disclose the assignment as collateral, sell the assigned claims as well as request the disclosure of the assignment as collateral by the buyer towards the customer after prior warning and by observing a reasonable period of notice.
 - 3.3. In case of the substantiation of a justified interest the buyer must provide the supplier the information which is necessary for asserting his rights against the customer and hand over the necessary documents.
4. The buyer is permitted to process the reserved goods or to mix these with or connect to other objects. The processing, mixing or connection (hereinafter: Processing) is carried out for the supplier. The buyer shall keep the new object in safekeeping for the supplier with the due care and attention of an ordinary merchant. The new object shall be deemed as reserved goods.
 - 4.1. The buyer is permitted to process the reserved goods or to mix these with or connect to other objects. The processing, mixing or connection (hereinafter: Processing) is carried out for the supplier. The buyer shall keep the new object in safekeeping for the supplier with the due care and attention of an ordinary merchant. The new object shall be deemed as reserved goods.
 - 4.2. In case of processing with other objects which do not belong to the supplier the supplier is entitled to co-ownership to the new object in the amount of the share, which is derived from the ratio of the value of the processed, mixed or connected (hereinafter: Processed) reserved goods to the value of the other Processed goods at the time of the Processing. Insofar as the buyer acquires sole ownership to the new object the supplier and buyer agree that the buyer grants the supplier co-ownership to the new object which is produced through Processing as a ratio of the value of the Processed reserved goods to the other Processed goods at the time of the Processing.
 - 4.3. For the event that the new object is sold the buyer hereby assigns his claim from the resale against the customer with all secondary rights to the supplier as a precautionary measure without this requiring further special explanations still. The assignment shall however only apply in the amount, which corresponds with the value of the Processed reserved goods invoiced by the supplier. The claim share assigned to the supplier is to be satisfied with precedence. No. 3.3) shall apply accordingly with regard to the collection mandate and the prerequisites for its revocation.
 - 4.4. If the buyer connects the reserved goods to properties or movable objects then, without this requiring further special explanations, he also assigns his claim, to which he is entitled as remuneration for the connection, to the supplier with all secondary rights as a precautionary measure in the amount of the ratio of the value of the connected reserved goods to the other connected goods at the time of the connection.
5. The buyer must inform the supplier immediately in case of attachments, seizures or other disposals or interventions of third parties.
 6. In case of breaches of the duties by the buyer, in particular with default of payment, the supplier is entitled to cancellation and take the goods back after the unsuccessful expiry of a reasonable deadline set to the buyer for service; the statutory provisions concerning the dispensability for setting a deadline remain unaffected. The buyer undertakes to hand over the goods.