

General Terms of Sale and Delivery

of GSR Ventiltechnik GmbH & Co. KG

1. General provisions, scope

1.1 The present General Terms of Sale (GTS) apply to all of our business relations with our customers (hereinafter also referred to as the "Buyer") to the extent they are entrepreneurs within the meaning of section 14 of the German Civil Code (Bürgerliches Gesetzbuch, BGB), a public law entity or a special fund under public law. The GTS shall apply to contracts pertaining to the sale and/or delivery of movables ("Goods") in particular, irrespective of whether we produce the Goods ourselves or purchase them from suppliers (sections 433, 651 BGB).

1.2 Our GTS apply exclusively. Any deviating, conflicting or supplementary terms and conditions of the Buyer shall only become part of the contract if and to the extent we have expressly consented to their validity. This approval requirement applies in any case, for example, even if we carry out the delivery to the Buyer unconditionally being aware of the General Terms and Conditions of the Buyer.

1.3 Unless otherwise agreed in individual cases, the GTS in the version valid at the time the order is placed by the Buyer or at least in the version communicated to it in writing as a framework agreement also apply to similar future contracts, without us having to refer to them again in each individual case.

1.4 Individual agreements entered into with the Buyer in individual cases (including collateral agreements, supplements and amendments) have priority over these GTS. Subject to counter-evidence, a written contract or our confirmation shall prevail for the content of such agreements.

1.5 References to the validity of statutory provisions are for purposes of clarification only. Therefore, even without such clarification, the statutory provisions shall apply unless they are directly amended or expressly excluded in these GTS.

1.6 Legally relevant declarations and notices to be made or given to us by the Buyer after conclusion of the contract (e.g. setting of deadlines, notice of defects, statement of rescission or reduction) must be in writing to take effect. Our sales representatives or other sales agents are generally not entitled to receive statements addressed to us.

1.7 The Buyer must not transfer its claims against us to third parties without our express consent.

2. Conclusion of contract

2.1 Our offers are without obligation and non-binding, unless we expressly mark them as binding in writing. This also applies if we have provided the Buyer with catalogues, technical documentation (e.g. drawings, plans, computations, calculations, references to DIN standards), other product descriptions or documents - including in electronic form. Property rights and copyrights to the aforementioned documents are reserved. The documents are to be treated confidentially by the Buyer. A transfer to third parties requires our express consent. In the case of infringements, the Buyer is obliged to pay damages within the limits of the legal provisions. If an order is not brought about, the recipient must return any provided documents.

2.2 Prices indicated in quotations for special valves and according to samples and drawings are conditional on the mentioned types and quantities being ordered in full.

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2.3 In the event that we expressly mark a quotation as binding in writing, we are bound to it for a period of 3 working days from the date of submission of the quotation, unless otherwise stated in the quotation.

2.4 The order for the Goods by the Buyer is considered a binding offer of contract. Unless otherwise stated in the quotation, we are entitled to accept this offer of contract within 4 weeks of its receipt. Acceptance may either be declared in writing (e.g. by order confirmation) or by delivering the Goods to the Buyer.

3. Delivery time and delay in delivery

3.1 The delivery period shall be individually agreed or specified by us upon acceptance of the order. If this is not the case, the delivery period is about 4 weeks from the conclusion of the contract.

3.2 In the event of force majeure or occurrence of unforeseeable, extraordinary events that we could not avert without any fault on our part (even if they have occurred with the primary supplier), such as strike, lockout, breakdowns, subsequently occurred material procurement difficulties, waste on an important piece of work, governmental orders or the like, the delivery period is extended by the duration of the impediment plus an appropriate start-up time that meets our operational requirements. If the impediment lasts more than two months or if we are unable to deliver or perform, both parties are entitled to withdraw from the contract.

3.3 In other respects, the occurrence of our default of delivery is governed by the statutory provisions. In any case, a reminder from the Buyer is, however, required.

3.4 The Buyer's rights arising from product defects pursuant to section 6 of these GTS and our statutory rights, in particular in the case of an exclusion of the obligation to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance) remain unaffected.

4. Delivery, passing of risk and default of acceptance

4.1 Delivery is ex warehouse, which is also the place of performance for the delivery and any subsequent performance. At the request and expense of the Buyer, the Goods will be shipped to another destination (sale by delivery to a place other than the place of performance). Unless otherwise agreed, we are entitled to determine the mode of dispatch (in particular transport company, shipping route, packaging). We thereby choose the transport route and the means of transport at our discretion whereby we do not guarantee the cheapest and fastest delivery.

4.2 Partial consignments to a reasonable extent are permitted.

4.3 The risk of accidental loss and accidental deterioration of the Goods passes to the Buyer no later than upon the delivery of the Goods. However, in the case of sale by delivery to a place other than the place of performance, the risk of accidental loss and accidental deterioration of the Goods as well as the risk of delay shall pass to the forwarder, the carrier or the person or institution otherwise responsible for carrying out the consignment already upon delivery of the Goods. Insofar as an acceptance has been agreed, this is decisive for the passing of the risk. In addition, the statutory provisions of the German law on contracts for work and services apply mutatis mutandis to an agreed acceptance. Default of acceptance by the Buyer is equivalent to the delivery or acceptance.

4.4 If the Buyer is in default of acceptance, fails to cooperate or if our delivery is delayed for other reasons for which the Buyer is responsible, we shall be entitled to demand compensation for the resulting damage including additional expenses (e.g. storage costs). For this purpose, we charge



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a lump sum compensation of 0.5% of the total invoice amount per calendar week or part thereof up to a total maximum amount of 5% of the total invoice amount, starting with the agreed delivery date or - in the absence of such an agreement - with the notification of readiness for shipment of the Goods. Proof of a larger extent of damage and our legal claims (in particular compensation for additional expenditure, reasonable compensation, rescission, termination) shall remain unaffected; the lump sum but is to be credited to further money claims. The Buyer is entitled to prove that we have incurred no or only a significantly lower damage than the above flat rate.

4.5 Any return of Goods must be notified to us in advance in writing, by fax or e-mail, so that we can create a corresponding goods return number and send it to the Buyer. Goods without a goods return number cannot be accepted by us.

5. Prices, payment, efficiency and opposing rights of the Buyer

5.1 Unless otherwise agreed in a particular case, our prices valid at the time of conclusion of the contract apply ex works, plus value-added tax. In the event of a sale by delivery to a place other than the place of performance, the Buyer bears the transport costs ex warehouse and the costs of any transport insurance it may require. If we do not charge the transport costs actually incurred in a particular case, a flat transport cost charge (excluding transport insurance) in the amount of EUR30 shall be deemed to have been agreed. Any duties, fees, taxes and other public charges shall be borne by the Buyer.

5.2 Payments in full satisfaction of debt are to be made only to us. The purchase price shall be due and payable in cash and in full within 30 days of the invoice date.

5.3 On expiry of the above-mentioned term of payment, the Buyer is in default. Interest at the applicable statutory default interest rate (currently 9% above the respective base interest rate of the ECB) shall be paid on the purchase price. We reserve the right to assert further damage caused by default. Our claim to commercial default interest (section 353 of the German Commercial Code (Handelsgesetzbuch, HGB)) remains unaffected.

5.4 The Buyer is entitled to rights to set-off or retention only to the extent that its claim is has been legally established or is undisputed. In the event of faulty deliveries, the opposing rights of the Buyer remain unaffected in accordance with clause 6.7 of these GTS.

5.5 If we are under an obligation to supply on credit and learn after the conclusion of a contract of facts indicating an inability of the Buyer to pay, in particular of any substantial deterioration in the Buyer's financial position – e.g. resulting from the Buyer having judgment enforced upon it, becoming insolvent, ceasing to pay, ceasing to trade or failing to pay due invoices more than once in spite of reminders – we will be entitled to refuse performance if those facts are such as to jeopardise our claim to remuneration. The right to refuse performance becomes ineffective if payment is made or security is provided for it. We may set a reasonable deadline by which the Buyer, at its option, has to pay the remuneration or provide security as a concurrent condition of our performance. After unsuccessful expiry of the deadline, we may rescind the contract.

5.6 Offered bills of exchange are only accepted by special agreement and only for purposes of payment. Bills of exchange can only be accepted if they are duly taxed and eligible for rediscounting. They are accepted on presentation and in protest. Credits for bills of exchange and cheques are subject to receipt and less bill charges and expenses stating the value date as of the date on which the seller may dispose of the proceeds. If the seller accepts bills of exchange, the Buyer bears the bill charges and the cost of possible discounting.

6. Liability for defects

6.1 Unless otherwise stated below, the rights of the Buyer in case of material and legal defects



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(including mistaken and short deliveries as well as improper assembly or faulty assembly instructions) are governed by the statutory provisions. In all cases, the statutory special provisions remain unaffected on final delivery of the Goods to a consumer (supplier's recourse in accordance with sections 478, 479 BGB).

6.2 The basis of our liability is above all the agreement made about the condition of the Goods.

6.3 Insofar as the condition has not been agreed, it must be judged according to the legal regulation as to whether or not there is a defect (section 434 (1) s. 2 and 3 BGB). However, we assume no liability for public statements of other third parties (e.g. advertising statements).

6.4 Claims of the Buyer based on defects are conditional on the latter having performed its duty to inspect and examine owed under section 377 HGB. The customer must notify us of defects in writing without delay within 3 working days after receipt of the Goods at the place of receipt at the latest. Notice of defects which are not detected within this period even with careful examination is to be given immediately, but no later than within 3 working days after their detection, otherwise the Goods are considered approved.

6.5 In case of any defectiveness of the Goods and in the case of possibly defectively performed contracts for work and services, the defect may be remedied or a replacement may be provided at our discretion. Multiple subsequent performances are permissible. For the subsequent performance, the Buyer has to set a reasonable period of at least 2 weeks and to hand over the rejected Goods for examination purposes.

6.6 If we are not willing or able to remedy the defect or deliver substitute goods, if this is delayed beyond a reasonable period of at least 2 weeks set by us or is dispensable under the statutory provisions or the removal of defects or the replacement fails in any other way or is unacceptable to us, the Buyer is entitled, at its discretion, to rescind the contract or reduce the purchase price correspondingly. In the event of a minor defect, however, the Buyer shall not be entitled to rescind the contract. Claims for damages are excluded in accordance with clause 7 of these GTS. The right pursuant to section 624 no. 2 BGB (self-removal with expense allowance) is excluded.

6.7 We are entitled to make the owed subsequent performance conditional on the Buyer paying the due purchase price. The Buyer is, however, entitled to retain a portion of the purchase price which is reasonable in relation to the defect.

6.8 In case of replacement, the Buyer has to return the defective item in accordance with the statutory provisions. Subsequent performance does not include the removal of the defective item or the reinstallation if we were originally not obliged to install.

6.9 The expenses required for the purpose of inspection and subsequent performance, in particular transport, travel, labour and material costs (not: removal and installation costs), are borne by us when a defect actually exists. Otherwise, we may demand compensation from the Buyer for costs incurred in connection with the unjustified claim for removal of the defect (in particular inspection and transport costs), unless the lack of defectiveness was not apparent to the Buyer. All in all, however, we only bear the reasonable costs of subsequent performance up to a maximum of the purchase price. The Buyer bears the costs of subsequent performance arising from the fact that the delivered Goods are transported to a place other than the place of business of the Buyer.

7. Other liability

7.1 We are liable for damages – irrespective of the legal ground – in the context of fault liability for damage caused intentionally or by gross negligence. In case of slight negligence, we are lia-



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ble subject to a more lenient standard of liability according to statutory provisions (e.g. for care in our own affairs) only

a) for damage arising from injury to life, limb or health,

b) for damage resulting from the material breach of a material contractual obligation (obligation the fulfilment of which enables the proper performance of the contract in the first place and compliance with which the contractual partner regularly relies and may rely on); however, in this case, our liability is limited to compensation for foreseeable and typically occurring damage.

7.2 The liability restrictions resulting from clause 7.1 of these GTS also apply to breaches of duty by or in favour of persons whose fault we are responsible for under statutory provisions. They do not apply if we fraudulently concealed a defect or assumed a guarantee for the condition of the Goods and for claims of the Buyer under the German Product Liability Act (Produkthaftungsgesetz).

7.3 The Buyer may only withdraw from or terminate the contract for a breach of duty that is not a defect if we are responsible for the breach of duty. A free right of termination of the Buyer (in particular pursuant to sections 651, 649 BGB) is excluded. In addition, the legal requirements and legal consequences apply.

8. Retention of title

8.1 We retain title to the Goods delivered by us until the purchase price including all related costs and charges have been paid in full. In the case of an ongoing business relationship, the Goods remain our property even until the full payment of all existing and future receivables by the Buyer, in particular until full settlement of a recognised current account balance with the Buyer. If the Buyer pays by cheque or bill of exchange, our retention of title exists until the amount has been credited to us and the Buyer has paid all related costs and charges.

8.2 The Buyer is obliged to treat the object of sale with due care as long as the ownership has not yet passed to it. If maintenance and inspection work has to be carried out, the Buyer has to carry it out on time at its own expense. As long as the ownership has not passed, the Buyer must notify us immediately in writing if the delivered Goods are damaged, lost, seized or otherwise exposed to interference by third parties. Insofar as the third party is unable to reimburse us for the judicial and extra-judicial costs of asserting our property, the Buyer is liable for the loss incurred by us. The Buyer is entitled to resell the reserved Goods in the ordinary course of business. The Buyer hereby assigns to us the claims of the Buyer against its customers from the resale of the reserved Goods in the amount of the agreed price for the reserved Goods (including value-added tax). We accept this assignment. If the Buyer includes the purchase price claim in a current account relationship with its customer, it also assigns to us the resulting claim for payment of the account balance. We accept this assignment. This assignment applies regardless of whether the reserved Goods have been resold without or after processing.

8.3 The Buyer remains authorised to collect the sum due even after the assignment. Our power to collect the sum due ourselves remains unaffected. However, we will not collect the sum due as long as the Buyer meets its payment obligations from the proceeds received, is not in default of payment and in particular no request for opening insolvency proceedings has been filed or payment has been ceased.

8.4 The object of sale is always processed or transformed for us. The processed Goods serve as security only in the amount of the value of the reserved Goods. If the reserved Goods are processed or combined with other objects not belonging to us, we acquire joint ownership of the new object in proportion of the objective value of our object of sale to that of the other processing items at the time of processing or combination. If the Goods are processed in such a way that the new item is to be regarded as the main item, it shall be deemed agreed that the Buyer



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transfers proportional joint ownership to us and stores the resulting joint ownership free of charge for us.

8.5 We undertake to release securities we are entitled to under the preceding provisions at our discretion to the extent that their value exceeds the claims to be secured by more than 20%.

9. Statute of limitations

9.1 Notwithstanding section 438 (1) no. 3 BGB, the general limitation period for claims arising from material and legal defects is one year from the date of delivery. Insofar as acceptance has been agreed, the limitation begins to run upon the acceptance.

9.2 However, if the Goods are a building or a thing that has been used for a building in accordance with its customary use and has caused its defectiveness (building material), the statutory limitation is 5 years from the date of delivery (section 438 (1) no. 2 BGB). Further statutory special regulations regarding the statute of limitations remain unaffected (in particular section 438 (1) no. 1, (3), sections 444, 479 BGB).

9.3 The foregoing limitation periods under sales law shall also apply to contractual and non-contractual claims for damages of the Buyer that are based on a defect of the Goods unless the application of the regular statutory limitation period (sections 195, 199 BGB) would, in individual cases, lead to a shorter limitation period. Claims for damages of the Buyer pursuant to section 9 (1) s. 1 and 2 (a) as well as under the German Product Liability Act become statute-barred only after the statutory limitation periods.

10. Choice of law, place of jurisdiction, place of performance, invalidity of individual clauses

10.1 These GTS and the contractual relationship between us and the Buyer shall be governed by the laws of the Federal Republic of Germany to the exclusion of international uniform law, in particular the United Nations Convention on Contracts for the International Sale of Goods (CISG) and to the exclusion of German international private law (Introductory Act of the Civil Code, IACC).

10.2 Place of performance for all liabilities arising under the contract shall be our domicile in Vlotho.

10.3 Exclusive – also international – place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is our domicile in Vlotho. However, in all cases we are also entitled to file a claim at the place of performance of the delivery obligation under these GTS or a priority individual agreement or at the general place of jurisdiction of the Buyer. Superior statutory provisions, especially relating to exclusive jurisdictions, remain unaffected.

10.4 If any provision of these terms shall be or become invalid, this shall not affect the validity of the other provisions.

11. Data protection

The contracting party is hereby informed that we process the personal data obtained in the context of the business relationship in accordance with the applicable data protection law, in particular the General Data Protection Regulation and the German Federal Data Protection Act (Bundesdatenschutzgesetz). Please see our privacy policy for further information.

Status as at: May 2018

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