

## General Terms and Conditions of Sale (GTCS) for Goods Delivered and Services Provided

### § 1 General – scope of validity

- (1) Our Terms and Conditions of Sale shall be valid on an exclusive basis; we shall not recognize terms and conditions on the part of the party placing the order which contradict or diverge from our own Terms and Conditions of Sale unless we have explicitly agreed to the validity of same in writing. Our Terms and Conditions of Sale shall also apply if we perform the delivery to the party placing the order without reservations, in awareness of terms and conditions on the part of the party placing the order which contradict or diverge from our own Terms and Conditions of Sale.
- (2) All agreements reached between ourselves and the party placing the order for the purposes of performing this contract are recorded in writing in this contract.
- (3) Our Terms and Conditions of Sale shall only be valid in respect of entrepreneurs as defined in § 310, paragraph 1, BGB (German Civil Code).
- (4) In connection with exports, INCOTERMS 2010 shall be applicable for the interpretation of standard commercial delivery clauses.

### § 2 Offer – offer documents

- (1) If the order can be qualified as an offer as per § 145 BGB, we may accept same within 2 weeks.
- (2) We reserve rights of ownership and copyrights in respect of illustrations, drawings, calculations and other documents. This shall also apply to written documents which are designated as “confidential”. Before passing these on to third parties, the party placing the order requires our explicit written agreement; this also applies to edited versions.

### § 3 Prices – terms of payment

- (1) Unless stated otherwise in the order confirmation, our prices are valid “ex factory”.
- (2) For deliveries outside Germany, our prices are basically valid plus dispatch costs as shown in the offer, and plus customs duties and legalization fees incurred. The risk of exchange rate fluctuations is borne by the customer.
- (3) Dispatch costs for express deliveries must generally be paid in addition by the customer.
- (4) Statutory value added tax is not included in our prices; it is shown separately on the invoice as the statutory amount on the date of issue of the invoice.
- (5) Deduction of discount requires special written agreement.
- (6) Unless stated otherwise in the order confirmation, the purchase price is due for payment net (without deductions) within 30 days of the invoice date. The statutory regulations concerning the consequences of defaulted payment shall apply.
- (7) The party placing the order is only entitled to offset if his counterclaims have been legally determined, are undisputed or are recognized by ourselves. Furthermore, he is only authorized to exercise a right of retention if his counter-claim is based on the same contractual relationship.
- (8) If a major deterioration of the customer’s asset situation occurs, we may either request security for our deliveries and services, or withdraw from the contract. The customer is obliged to reimburse the costs incurred due to withdrawal from the contract. The same shall apply if the material deterioration of the customer’s asset situation was already present when the contract was concluded but only became known after the contract was concluded. Further claims shall not be affected.
- (9) There is a 2-hour period for unloading delivered material. An additional duration is charged to the customer with € 40.00 per started hour

### § 4 Delivery period

- (1) The commencement of the delivery period stated by us is conditional upon the clarification of all technical questions.
- (2) Compliance with our delivery obligation is also conditional upon prompt and correct fulfillment of the obligation of the party placing the order. The foregoing is without prejudice to the defense of nonperformance of contract.
- (3) If the party placing the order defaults on acceptance or if he culpably violates other duties of collaboration, we shall be entitled to demand compensation for damage incurred by ourselves in this regard, including any additional expenses. The foregoing is without prejudice to further claims.

- (4) If the conditions stated in paragraph (3) are met, the risk of accidental loss or accidental deterioration of the purchased item shall be transferred to the party placing the order at the point in time when said party enters into default on acceptance or default on the part of a debtor.
- (5) We shall be liable in accordance with the statutory provisions insofar as the underlying purchase contract is a fixed transaction as defined in § 286 paragraph 2 no. 4, BGB or § 376 HGB (German Commercial Code). We shall also be liable in accordance with the statutory provisions if, as the consequence of a delivery default for which we are responsible, the party placing the order is entitled to assert that his interest in further performance of the contract has ceased to exist.
- (6) We shall furthermore be liable in accordance with the statutory provisions insofar as the defaulted delivery is due to an intentional or grossly negligent violation of the contract for which we are responsible; a fault on the part of our representatives or vicarious agents shall be attributed to us. If the delivery contract is not due to an intentional violation of the contract for which we are responsible, our liability to compensate for damage is limited to the foreseeable damage which might typically occur.
- (7) We shall also be liable in accordance with the statutory provisions insofar as the defaulted delivery for which we are responsible is due to the culpable violation of a material contractual obligation; in this case, however, the liability to compensate for damages is limited to the foreseeable damage which might typically occur.
- (8) Moreover, in case of defaulted delivery, we shall be liable for a flatrate, all-inclusive default compensation in the sum of 0.5% of the value of the delivery for each completed week of the default, subject to a maximum of 5% of the value of the delivery.
- (9) The foregoing is without prejudice to the further statutory claims and rights of the party placing the order.

### § 5 Transfer of perils – packing charges

- (1) If not otherwise in the order confirmation indicated, delivery ex work is agreed on.
- (2) Transport- and all other packaging according to the requirements of the regulation on packaging will not be taken back, excluded are pallets. The buyer is obliged to arrange for a disposal of the packaging at the buyers expense.
- (3) If the buyer requires it, a transport insurance for the delivery will be included; the buyer bears the arising expenses.

### § 6 Liability for defects

- (1) Claims in respect of defects by the party placing the order are conditional upon the latter party’s correct compliance with his duties to examine and complain in accordance with § 377 HGB. No liability shall be accepted for damage occurring due to the following reasons: inappropriate or incorrect use, faulty installation or commissioning by the party placing the order or by third parties, natural wear and tear, faulty or negligent handling, unsuitable operating equipment, replacement materials, faulty construction work, unsuitable construction land, chemical, electrochemical or electrical influences, unless they are attributable to a fault on the part of the vendor. The foregoing is without prejudice to normal commercial variances, or those due to raw materials or production, in quality, quantity, weight, dimensions, appearance or color.
- (2) If a defect is present on the purchased item, the party placing the order shall be entitled, according to his choice, to subsequent performance in the form of rectification of the defect, or delivery of a new item which is free of defects. In the case of rectification of defects, we are obliged to bear all expenses required to rectify the defect, in particular including costs of transport, travel, labor and materials, unless such costs are increased because the purchased item was transferred to a location other than the place of performance.
- (3) If subsequent performance fails, the party placing the order shall be entitled, according to his choice, to withdraw from the contract or to demand a reduction in price.
- (4) We shall be liable in accordance with the statutory provisions if the party placing the order asserts compensation claims which are based on intention or gross negligence, including intention or gross negligence on the part of our representatives or vicarious agents. If we are not to blame for intentional violation of the contract, liability to compensate for damages shall be limited to the foreseeable

damage which might typically occur.

- (5) We shall be liable in accordance with the statutory provisions if we culpably violate a material contractual obligation; in this case, however, the liability to compensate for damages shall be limited to the foreseeable damage which might typically occur.
- (6) Liability for culpable damage to life, body or health shall remain unaffected; this also applies to the mandatory liability pursuant to the Product Liability Law.
- (7) Unless otherwise stipulated above, liability shall be excluded.
- (8) The statutory period of limitation for claims on account of defects is 24 months, without prejudice to any other contractual warranty, calculated from the date of transfer of the risk.
- (9) The statutory period of limitation in case of delivery recourse claims pursuant to §§ 478, 479 BGB shall remain unaffected; this period is five years, calculated from delivery of the defective item.

## § 7 Joint and several liability

- (1) Any additional liability to compensate for damages than that stipulated in § 6 shall be excluded regardless of the legal nature of the claim asserted. This shall apply in particular to claims for compensation of damages arising from negligence in connection with the conclusion of the contract, due to other violations of obligations or to tortuous claims for compensation of material damage pursuant to § 823 BGB.
- (2) If our liability to compensate for damages is excluded or limited, this shall also apply with respect to personal liability to compensate for damages on the part of our workforce, employees, staff, representatives and vicarious agents.

## § 8 Installation

- (1) The rates and conditions for staff and equipment on an hourly basis, and for units of material, as shown in the installation price list (which will be sent on request) shall apply to the provision of fitters. The valid version of the installation conditions is a component of these GTCS.
- (2) If due claims are still outstanding, the secondment of fitters may be made conditional on payment of an advance.

## § 9 Planning work and services

- (1) Technical documents of all sorts which are handed over if an order is placed, such as pipeline plans and parts lists, etc. must be confirmed in writing within three days, otherwise such documents shall be deemed to have been tacitly accepted.
- (2) For documentation of any sort which is requested after completion of a project but is not agreed or is not contained in the offer, the labor expended shall be charged separately, according to the current hourly rates in each case. This shall also apply to any technical documentation which may be required, such as 'as-built' plans, statics, wiring plans, etc.
- (3) Compilation of 'as-built' plans on the basis of subsequent isometric weld seam plans is basically not included in the scope of the price offered for documentation. Expenditure incurred for this purpose will be invoiced separately.

## § 10 Security for retention of ownership

- (1) We shall reserve ownership of the purchased item until receipt of all payments arising from the delivery contract. In case of behavior by the party placing the order in violation of the contract, and especially in case of defaulted payment, we are entitled to take back the purchased item. Our taking back of the purchased item does not constitute withdrawal from the contract unless we explicitly state this in writing. Pledging of the purchased item by ourselves shall always constitute withdrawal from the contract. After taking the purchased item back, we are entitled to realize same, and the proceeds of such realization shall be credited against the liabilities of the party placing the order. In a case where goods subject to reservation of ownership are taken back, the party placing the order is furthermore obliged to pay 15% of the price of the items in the delivery as compensation for the costs incurred and the reduction in the value of the goods subject to said reservation. Proof that no damage or less damage has occurred is reserved for the party placing the order; proof of greater damage is reserved.
- (2) The party placing the order is obliged to treat the purchased item carefully; in particular, he is obliged to insure it adequately, for its value when new, and at his own expense, against damage due to fire, water and theft. If maintenance and inspection work is necessary, the party placing the order must carry such work out promptly at his own expense.
- (3) In case of pledging or other interventions by third parties, the party placing the order must inform us immediately in writing so that we can file a complaint pursuant to § 771 ZPO (Code of Civil Procedure). If the third party is not able to reimburse us for the court

costs and out-of-court costs of a complaint pursuant to § 771 ZPO, the party placing the order shall be liable to us for the occurring shortfall.

- (4) The party placing the order shall be entitled to sell on the purchased item in the ordinary course of business; at the present point in time, however, he already assigns all claims (up to the sum of the final invoice amount (including VAT) for our claim) which fall due to him from his customers or from third parties as a result of selling the said item on, regardless of whether the purchased item was sold on without or with processing. The party placing the order shall continue to be entitled to collect this claim after such assignment. Our authority to collect this claim ourselves shall be unaffected hereby. However, we undertake not to collect the claim provided that the party placing the order meets his payment obligations from the proceeds collected, does not default on payment and in particular, provided that no application for the opening of bankruptcy, composition or insolvency proceedings is made and there is no suspension of payments. If this is nevertheless the case, we may demand that the party placing the order informs us of the assigned claims and their debtor(s), provides all information necessary for collection, issues the relevant documents and notifies the debtors (third parties) of the assignment.
- (5) Any processing or remodeling of the purchased item by the party placing the order is always undertaken for us. If the purchased item is processed with other objects which do not belong to us, we shall acquire co-ownership of the new object based on the proportion of the value of the purchased item (final invoiced amount including VAT) in relation to the other processed objects at the time of such processing. Moreover, the same conditions as for a purchased item delivered subject to reservation of ownership shall apply to the object created by means of such processing.
- (6) If the purchased item is inseparably mixed with other objects which do not belong to us, we shall acquire co-ownership of the new object based on the proportion of the value of the purchased item (final invoiced amount including VAT) in relation to the other mixed objects at the time of such mixing. If the mixing is such that the item belonging to the party placing the order should be regarded as the main item, it is deemed to be agreed that the party placing the order shall transfer proportionate co-ownership to us. The party placing the order shall maintain the sole ownership or co-ownership arising in this manner on our behalf.
- (7) In order to secure our claims against him, the party placing the order shall also assign to us those claims against a third party which come into being due to the connection of the purchased item with a plot of land.
- (8) We undertake to release the securities due to us at the request of the party placing the order insofar as the realizable value of our securities exceeds the claims to be secured by more than 20%; it is up to us to select the securities to be released.

## § 11 Takeback

- (1) Return shipments of original material in flawless and cleaned status can be credited with 75%. Arising expenses for return shipments for re-use alternatively recycling, disposal and fee for waste site will be invoiced.
- (2) The return shipment of the materials to our factory rest at the instigation of the buyer. The buyer bears the resulting costs.
- (3) The right of the buyer for return shipment extends exclusively to PREMANT © 12m-pipes and 90-bends 1x1m with insulation thickness DS1, with steel medium pipe according to EN10217 and wall thickness according to EN253, with HDPE-jacket pipe and the leak detection EMS (Nordic) or Brandes up to and including DN 250.

## § 12 Place of jurisdiction – place of performance

- (1) If the party placing the order is a trader, the place of jurisdiction shall be our registered business office; however, we are also entitled to sue the party placing the order at the court of his place of residence.
- (2) The law of the Federal Republic of Germany shall apply; the application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.
- (3) Unless stated otherwise in the order confirmation, our registered business office shall be the place of performance.

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