

General Terms and Conditions of Sale (GTC) for goods and services

§ 1 General - Scope of application

- (1) Our terms and conditions of sale shall apply solely and exclusively; we shall not accept any conditions of the Buyer which contravene or deviate from our conditions unless we have expressly agreed to their validity in writing. Our terms and conditions of sale shall also apply if and when we carry out deliveries to the Buyer without reservations in spite of knowing of terms and conditions of that Buyer which contravene or deviate from our conditions.
- (2) All agreements made between us and the Buyer with respect to the execution of this contract are specified in writing in this contract.
- (3) Our terms and conditions of sale shall only apply towards entrepreneurs as defined by § 310 Subsection 1 of the German Civil Code (BGB).

§ 2 Quotations – Tender documents

- (1) If the order qualifies as a tender pursuant to § 145 German Civil Code (BGB) we shall have 2 weeks in which to accept it.
- (2) We reserve ownership and copyright to illustrations, drawings, calculations and all other documents. This also applies to those written documents designated as "confidential". The Buyer needs to obtain our express written consent before forwarding such documents to any third party.

§ 3 Pricing – Terms of payment

- (1) Unless otherwise stated in the order confirmation, our prices apply „ex works“. The terms of payment, the determining criteria for the price for finishing work and material for the relevant order, the handling of the packaging and freight charges are regulated by our currently valid price lists.
- (2) Our prices are net of statutory value added tax (VAT); VAT in the statutory stipulated amount on the invoice date will be shown separately on the invoice.
- (3) The deduction of trade discounts shall require a special agreement in writing.
- (4) The purchase price is due and payable without any deductions with fourteen(14) days after receipt of invoice unless otherwise stated in the order confirmation. The statutory regulations regarding the consequences of late payment shall apply.
- (5) The Buyer shall only have the right of set-off if and when his counterclaims have been established in a final legal judgement, are undisputed or have been recognized by us. In addition he shall be authorized to exercise a right of retention to the extent that his counterclaim is based on the same contractual relationship.

§ 4 Delivery period

- (1) The start of the delivery period given by us is subject to the settlement of all technical issues.
- (2) The fulfilment of our delivery conditions is further subject to the timely and proper fulfilment by the Buyer of his obligations. We reserve the right to plead the defence of non-fulfilment of contract.
- (3) If the Buyer delays acceptance or culpably infringes any other duties of cooperation, we shall be entitled to demand compensation, including for any additional expenditure incurred, for the loss resulting to us in this respect. We reserve the right to make further claims.
- (4) If and when the conditions set out in Par. (3) apply, the risk of accidental loss or accidental deterioration of the purchase item shall pass to the Buyer at the time he is in default either of acceptance or payment.
- (5) We shall be liable, pursuant to the statutory provisions, to the extent that the underlying contract of sale specifies fixed-date delivery as defined by § 286 Par. 2 No. 4 German Civil Code (BGB) or by § 376 German Commercial Code (HGB). We shall also be liable, pursuant to the statutory provisions, to the extent that the Buyer is entitled to claim that his interest in the

further performance of the contract has lapsed as a consequence of a delay in delivery caused by us.

- (6) We shall also be liable, pursuant to the statutory provisions, to the extent that the delay in delivery is due to intentional or grossly negligent breach of contract for which we are to be held responsible; any fault of our representatives or vicarious agents shall be deemed to be attributable to us. If the delay in delivery is not due to an intentional breach of contract for which are to be held responsible, our liability for damages shall be limited to the foreseeable typically occurring loss.
- (7) We shall also be liable, pursuant to the statutory provisions, to the extent that the delay in delivery for which we are to be held responsible is due to a culpable breach of a fundamental contractual obligation; in this case our liability for damages shall be limited however to the foreseeable typically occurring loss.
- (8) Any further statutory rights or claims of the Buyer shall remain unaffected.

§ 5 Transfer of risk, packaging costs, return of goods

- (1) Unless otherwise stated in the order confirmation, delivery "ex works" is deemed to be agreed.
- (2) Transport packaging and all other packaging in accordance with the German Packaging Regulation is non-returnable, with the exception of pallets. The Buyer is obliged to dispose of the packaging materials at his own expense.
- (3) Original materials returned in perfect and impeccably cleaned condition shall be credited at 75%. When such materials are sent back, any costs incurred for re-use, recycling and disposal and landfill fees shall be charged.
- (4) Pipe lengths customized for customer requirements and special components are on principle excluded from return.
- (5) If and when the Buyer so wishes, we will cover the delivery with transport insurance; the costs incurred as a result shall be borne by the Buyer.

§ 6 Warranty for defects

- (1) Warranty claims by the Buyer shall be subject to him having properly complied with his obligation to examine goods and give notice of defects pursuant to § 377 German Commercial Code (HGB). No liability will be accepted for damage occurring due to the following reasons: inappropriate or incorrect use, faulty installation or incorrect commissioning by the Buyer or third parties, natural wear and tear, faulty or negligent handling/use, unsuitable operating materials, substitute materials, faulty construction work, unsuitable ground, chemical, electrochemical or electrical impacts unless these are attributable to a fault of the Seller. This shall be without prejudice for normal commercial variances or those due to permissible raw material or production tolerances in quality, quantity, weight, dimensions, appearance or colour.
- (2) If the purchase item is defective, the Buyer is entitled, at his choice, to supplementary performance in the form of rectification of the defect or delivery of a new item without defects. If and when he chooses rectification of the defect, we shall be obliged to bear all the costs entailed in this, in particular transport, travel, labour and material costs, to the extent that such costs are not increased by the purchase item being brought to a place other than the place of performance.
- (3) If the rectification of the defect is unsuccessful, the Buyer is entitled, at his choice, to withdraw from the contract or to ask for a reasonable price reduction.
- (4) We shall be liable, pursuant to the statutory provisions, to the extent that the Buyer asserts a claim for damages based on intentional action or gross negligence on the part of our representatives or vicarious agents.

To the extent that we are not accused of an intentional breach of contract our liability for damages shall be limited to the foreseeable typically occurring loss.

- (5) We shall also be liable, pursuant to the statutory provisions, to the extent that the damage is due to a culpable breach of a fundamental contractual obligation by us; in this case our liability for damages shall be limited however to the foreseeable typically occurring loss.
- (6) If and when the Buyer has a claim in any other respect to compensation due to a negligent breach of duty our liability for damages shall be limited to the foreseeable typically occurring loss.
- (7) Unless something to the contrary is agreed above, liability is excluded.
- (8) The limitation period for warranty claims is 12 months, beginning with the time of transfer of risk. This shall not apply in the case that the purchase item is typically used in construction work and is responsible for the defect in the structure.
- (9) The limitation period in the event of a claim to damages due to a defective consignment pursuant to §§ 478, 479 German Civil Code (BGB) remains unaffected; it is five (5) years beginning with the delivery of the defective item.

§ 7 Total liability

- (1) Any further liability for damages above and beyond that envisaged in § 6 is – irrespective of the legal nature of the claim asserted – excluded. This applies in particular to claims for damages arising from breaches of duty in the conclusion of the contract, from other breaches of obligation or claims in tort for compensation for damage to property pursuant to § 823 BGB.
- (2) If and when the liability for damages against us is excluded or restricted, this shall also apply in respect of the personal liability for damages of our employees, workers, staff members, representatives and vicarious agents.

§ 8 Retention of title as security

- (1) We retain title to the purchase item until all payments arising from the contract of delivery have been received. In the event of any behaviour contrary to the contract by the Buyer – in particular payment default – we are entitled to repossess the purchase item. Repossession of the purchase item by us does not constitute withdrawal from the contract unless we expressly declare this in writing. The attachment of the purchase item by us shall always constitute withdrawal from the contract. After recovery of the purchase item we are entitled to sell it. The amount realized from such sale will be deducted – minus reasonable selling costs incurred – from the amount owed by the Buyer.
- (2) The Buyer is obliged to handle the purchase item with care; in particular, he is obliged to take out adequate insurance cover for it against fire and water damage as well as theft at its replacement value and at his own expense. If maintenance and inspection work is necessary, the Buyer must carry out such work in due time at his own expense.
- (3) In the event of attachments or other interventions by third parties, the Buyer must inform us immediately in writing so that we can file proceedings pursuant to § 771 of the German Code of Civil Procedure (ZPO). If and when the third party is unable to reimburse to us the legal and extrajudicial costs incurred by filing proceedings pursuant to § 771 ZPO, the Buyer shall be liable for our loss.
- (4) The Buyer is entitled to resell the purchase item in the ordinary course of business; he now however already assigns to us all and any receivables in the amount of the final invoice value (including VAT) due to him from his customers or from third parties as a result of such resale, irrespective of whether the purchase item was resold without or after processing. The Buyer shall remain entitled to collect these receivables after their assignment.

Our authorization to collect the receivables ourselves shall remain unaffected by this. We undertake however not to collect the receivables as long as the Buyer complies with his payment obligations arising out of the proceeds collected, is not in default of payment and in particular no application has been made for the opening of insolvency, bankruptcy or composition proceedings or payments are suspended. If this is the case, however, we may demand that the Buyer discloses to us the assigned receivables and their debtors, provides us with all the necessary information and the relevant documents for collection purposes and informs the debtors (third parties) concerning the assignment.

- (5) The processing or modification of the purchase item by the Buyer is always be deemed to be carried out on our behalf. If and when the purchase item is processed or combined with other items not belonging to us, we shall acquire co-ownership in the item thus newly created in the ratio of the value of the purchase item (final invoice value including VAT) to the value of the other goods processed at the time of processing. The item created by processing shall in all other respects be subject to the same provisions as the purchase item delivered under retention of title.
- (6) If the purchase item is mixed inseparably with other items not belonging to us, we shall acquire co-ownership in the item thus newly created in the ratio of the value of the purchase item (final invoice value including VAT) to the value of the other goods it is mixed with at the time of mixing. If the mixing is done in such a way that the Buyer's item is to be regarded as the main object, it is deemed to be agreed that the Buyer shall transfer proportionate co-ownership to us. The Buyer shall hold the sole or co-ownership on our behalf.
- (7) The Buyer shall also assign to us the receivables due to him from a third party from the incorporation of the purchase item in real property to secure our receivables due from him.
- (8) We agree, at the Buyer's request, to release the securities to which we are entitled to the extent that the realizable value of our securities exceeds the receivables thus secured by more than 20 %; the choice of the securities to be released shall remain with us.

§ 9 Place of jurisdiction and fulfilment

- (1) If the Buyer is a businessman (Kaufmann as defined by the German Commercial Code (HGB)), the place of jurisdiction shall be Hannover; we reserve the right, however, to also institute proceedings in the courts at his place of residence.
- (2) The Laws of the Federal Republic of Germany shall apply.
- (3) Unless otherwise stated in the order confirmation, our place of business is the place of performance.