

General Sales, Delivery and Payment Terms of Armaturenwerk Hötensleben GmbH

Version dated 05/2013

I. Validity/Quotations

1. All deliveries, services and quotations are made solely on the basis of these General Sales, Delivery and Payment Terms (hereinafter: "General Delivery Terms"). They are components of all contracts we conclude with our contract partners (hereinafter also: "Buyers") related to the deliveries and services offered to them. They also apply for all future deliveries, services or quotations to the Buyer, even if they are not agreed again separately.
2. Terms and conditions of the Buyer or third parties are not applicable, even if we do not deny their validity separately in individual cases. Even if we refer to an item of correspondence which contains or refers to the Buyer's terms and conditions, this is not tantamount to acceptance of the validity of those terms and conditions.
3. Our offers are subject to confirmation and non-binding unless they are expressly stated as binding or contain a specific acceptance period. Agreements, in particular secondary oral agreements, commitments, guarantees and other assurances by our sales staff, are non-binding until we confirm them in writing.
4. The documents which form part of the quotation, such as drawings, illustrations, technical specifications, references to standards and specifications in advertising are not binding descriptions, confirmations of properties or guarantees, unless expressly designated as such in writing.
5. Deviations of the delivered item from quotations, samples, test and advance deliveries are permitted within the scope of the respective DIN - EN standards for iron and steel and other technical standards.
6. We shall test samples and test material provided by the Buyer for contract awards thoroughly. However, no guarantees can be provided for correct identification of the sample in any respect, in particular physically. Deviations in terms of quality, properties and dimensions cannot be ruled out. Therefore, the Buyer must test the items thoroughly for suitability for the intended purpose before using them.

II. Prices

1. Unless otherwise agreed, our prices are ex works from our plant/warehouse in Hötensleben, Germany (EXW/Hötensleben), excluding transport and packaging, and excluding the respective legal VAT.
2. If the material is delivered in packaging, we shall invoice the packaging at our cost price. In accordance with the legal regulations, we accept returned packaging we originally provided, if the Buyer returns it within an acceptable period (up to max. 14 days) carriage paid. AWH does not pay for returned packaging.

III. Payment and invoicing

1. Invoice amounts are payable within 30 days net from the invoice date. Invoice amounts less than 50 EUR (Euros), and invoices for assembly, repair, mould and tool costs are due immediately and payable net. Payments must be made within this period in such a way that the amount required to balance the invoice is available to us on the due date at the latest. We reserve the right to invoice minimum order values and to deliver in standard production or packaging units. Deliveries to Buyers unknown to us are only made in return for advance payment or for payment on delivery.
2. Counterclaims disputed by us or which have not been established by a court of law, do not entitle the Buyer to retain or offset payment, unless the counterclaims are due to faults from the same contractual relationship as the main claim against which the amount is to be offset.
3. If the payment deadline is exceeded, or when the Buyer falls into arrears at the latest, we are entitled - without prejudice to any other rights, to charge interest at the same rate as bank debt interest including all supplementary costs for an equivalent current account debt, or the legal interest rate of 8% annual interest above the respective base interest rate of the German Federal Bank (Bundesbank) at our discretion. We reserve the right to assert claims for damages due to the delay above and beyond this.
4. If the Buyer falls into arrears, we are entitled to demand payment of all non-expired claims from the current business relationship with the Buyer, and to revoke the direct debit mandate per No. V.7. Furthermore, we are entitled to demand that the items be returned after an appropriate period of grace. We can also prohibit onward sale and further processing of the items delivered. Taking back the items is not tantamount to a withdrawal from the contract. The Buyer can avoid all these legal consequences by making a payment or providing collateral equivalent to our payment claim at risk. The regulations of the Insolvency Statute are unaffected by the above provisions.
5. Agreed discounts always refer to the invoice value excluding shipping and shall only be granted if all accounts payable owed by the Buyer have been paid at the time of the discount.

IV. Delivery time frames

1. Delivery time frames and deadlines shall be considered met if the delivery or partial delivery is shipped or collected within the agreed delivery time.
2. Our order confirmation shall determine the agreed delivery time. Irrespective of our rights for arrears by the Buyer, the time frame can only be met if all documents to be submitted by the Buyer, approvals required, releases, timely clarification and release of the plans are received on time and the agreed terms

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of payments and other obligations are met. If these requirements are not met on time, the time frame shall be extended accordingly.

3. We accept no liability for impossibility of delivery or delivery delays where they are due to force majeure or other unforeseeable events (e.g. disruptions of operation of any kind, problems in procurement of material or energy, transport delays, strikes, legitimate lock-outs, shortage of labour, energy or raw materials, problems in obtaining the official approvals required, official measures, or non-delivery, incorrect delivery or delayed delivery by suppliers) for which we are not responsible. Should such events make delivery or service significantly more difficult or impossible, and the impediment is not merely temporary, we are entitled to withdraw from the contract. In the event of temporary impediments, the delivery or service periods are extended or postponed by the duration of the impediment plus an appropriate lead period. Where it is unreasonable to expect the Buyer to accept the delivery or service due to the delay, it can withdraw from the contract by sending us a written statement to that effect without delay.
4. For import or export business, we are not liable for the responsible authorities and institutions issuing any required import or export licenses. The Buyer is obliged to issue and procure for us all documents and information required to obtain the necessary import and export licenses. Moreover, it is also obliged to procure all approvals and certificates to meet its obligations to us. If the Buyer fails to do so, we reserve the right to withdraw from the contract with an appropriate period of grace, or to claim damages for non-fulfilment.
5. Should we be delayed in providing our service, the Buyer can withdraw from the contract after the expiry of an appropriate period of grace granted to us if the items have not been shipped by the expiry of the period. Claims for damages from the delay and failure to fulfil the contract shall be based on No. VIII. of these General Terms of Delivery.

V. Retention of title

1. All deliveries are made subject to retention of title per Art. 449 of the German Civil Code (BGB) with the following supplements:
2. All items delivered remain our property (subject to reservation of title) until all claims against the Buyer arising from the business relationship, regardless of the legal reason, including future or conditional claims, have been fulfilled.
3. The Buyer is obliged to insure the items subject to retention of title against all insurable damage (in particular against fire, water, storms, theft, vandalism, liability insurance etc.). It assigns its claims from the insurance contracts to us in advance. We hereby accept this assignment.
4. The items subject to retention of title are processed and finished for us as the manufacturer per Art. 950 of the German Civil Code (BGB). The processed items are deemed items subject to retention of title per No. V.2. In the event of processing, connection or combination of the items subject to retention of title with other items by the Buyer, we are entitled to co-ownership of the new item in the ratio of the invoice value of the items subject to retention of title to the invoice value of the other items used. If our ownership expires due to connection or combination, the Buyer hereby already assigns its rights to the new stock or item to the extent of the invoice value of the items subject to retention of title and stores it for us free of charge. The resulting co-ownership rights are deemed items subject to retention of title per No. V.2.
5. The Buyer may only sell the items subject to retention of title in standard business operations at its normal business conditions as long as it are not in arrears, provided the claims from onward sale are transferred to us per Nos. V.6 to V.8 below. The Buyer is not entitled to dispose of the items subject to retention of title in other ways, including pledging and transferring them as collateral.
6. The Buyer's claims from onward sale of the items subject to retention of title are hereby already assigned to us. We hereby accept the assignment. The assigned claims serve as collateral to the same extent as the items subject to retention of title. If the items subject to retention of title are sold together with other items we do not sell, the assignment of the claim from the onward sale only applies to the amount of the onward sale amount of the items subject to retention of title sold. If the items which we co-own per No. V.4 are sold, the claim is deemed to be assigned to the amount of these co-ownership shares.
7. The Buyer is entitled to collect claims from the onward sale until this entitlement is revoked by us, which we are permitted to do at any time. We shall only avail of our right of revocation in the cases mentioned in No. III.4. Upon request by us, the Buyer is obliged to inform its buyers and customers of the assignment to us immediately, and to provide us with the information required for collection and the corresponding documents. We are entitled to notify the debtors of the assignment on the behalf of the Buyer.
8. Should third parties impair the items subject to the retention of title or if third parties access them, in particular by pledging, the Buyer shall inform them of our ownership immediately, and also inform us of this immediately in writing to permit us to assert our ownership rights. If this occurs, the Buyer must provide us with any documents required to assert our ownership claims immediately. If the third party is

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not in a position to pay us for the legal costs or costs of an out-of-court procedure, the Buyer shall be liable for such costs.

9. If the value of the existing collateral exceeds the secured claims by more than 50% in total, we are obliged to release the collateral at our discretion on request by the Buyer. On full payment of all claims by the Buyer arising from our business relationship with them, the title to the items subject to the retention of title and all claims assigned are transferred to the Buyer.

VI. Implementation of deliveries

1. When the items are handed over to a shipping company, freight forwarder or other third parties selected for implementing the shipment, however, when they leave our plant/warehouse at the latest - or the delivery plant for transfer orders, the risk passes to the Buyer for all transactions, even for carriage-paid and free delivery. The Buyer is responsible for and shall bear the costs of unloading. We shall only insure the items upon instruction by and at the expense of the Buyer. We do not guarantee that we use the least expensive shipping method.
2. We are entitled to make partial deliveries if the partial delivery is usable for the Buyer as part of the contractual purpose, the delivery of the remainder of the items ordered is ensured and no significant additional workload or additional costs result to the Buyer as a result (unless we agree to bear these costs). For items manufactured to specification, delivery quantities up to 10% above or below the agreed quantity are permitted.
3. For make-and-hold orders, we are entitled to produce the entire order at once or have the entire order produced at once. No requested changes can be taken into consideration after issuing the order, unless this was expressly agreed. Unless fixed agreements were made, call dates and quantities can only be met within the scope of our delivery and manufacturing capacities. If the items are not called in accordance with the contract, we are entitled to invoice them as delivered after the expiry of an appropriate period of grace.
4. If we expressly consent to returns of items delivered properly, we are entitled - without specifying it separately - to issue a credit note deducting up to 20% of the total, unless the Buyer proves that the workload and lost profit are far lower than the lump sum fee. We currently charge 25 EUR (Euro) as the minimum amount for administration costs. We reserve the right to make further deductions due to decreases in value. Any return deliveries must be made free of charge to us. Items cut to size and custom products, as well as items with expiry dates cannot be returned.
5. Applying Art. 10 Par. 2 Clause 3 of the German Law on the Sale, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment (ElektroG), it is deemed agreed that the Buyer assumes any duties which could be mandatory for us from Art. 10 Par. 2 of ElektroG, and is responsible for returns and disposal of devices named in Art. 3 of the ElektroG which we delivered to them from users other than private households.

VII. Liability for faults

1. The Buyer is obliged to inspect the items on receipt and before use to ensure that they are free of faults and are suitable for the intended use in every way. Due to the varying requirements and individual conditions for use of the products, we cannot accept liability for the suitability of the items for the purpose intended by the Buyer, unless we expressly guaranteed the suitability. Standard and technically inevitable deviations from chemical and physical parameters are expressly reserved. Complaints for obvious or apparent faults, in particular due to weight, quantity, dimensions, shapes and external condition of the items must be made in writing immediately after receipt of the items, within 10 days at the latest; otherwise they shall be deemed accepted. With regard to other faults, the delivered items shall be deemed accepted by the Buyer if we do not receive the complaint within 10 days of the occurrence of the fault; if the fault was already apparent to the Buyer earlier under normal use, this earlier time shall determine the start of the complaint period. Faults which are due to improper handling or storage by the Buyer cannot be taken into consideration. After processing and sale, claims for faults shall not be accepted.
2. In the event of justified, immediate complaints, we are free to choose whether to rectify the fault or deliver a fault-free item (supplementary performance). The Buyer must give us the time and opportunity required to rectify the fault at our discretion. In the event of failure or refusal of supplementary performance, the Buyer can reduce the purchase price or withdraw from the contract after a suitable period of grace granted has expired. If the fault is not significant, the Buyer is only entitled to reduce the price. Claims for damages or compensation for expenses are ruled out unless we acted with intent or in gross negligence.
3. If the Buyer does not give us an opportunity to ascertain the presence of a fault ourselves, and in particular does not provide us with the items subject to complaint or samples thereof, it cannot recourse to faults in the items.
4. We shall only bear expenses in relation to supplementary performance if we are responsible for them in individual cases at our fault or on the basis of the guarantee. In particular, such expenses must be re-

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sonable in comparison to the purchase price of the items. We shall not accept expenses arising from the fact that the items sold were transported to a place other than the headquarters or a subsidiary of the Buyer.

5. Further claims are excluded in accordance with No. VIII. That applies in particular to compensation for damage which did occur to the item itself (consequential damage). Our liability for absence of guaranteed properties is also based on No. VIII.
6. Technical specifications for the items are provided within standard tolerances (DIN/EN or other relevant technical standards for iron and steel). We do not guarantee special functions of any systems in which items we deliver are installed, unless we provided expressly consultation and also confirmed in writing that the consultation is binding. In all cases, the Buyer is not exempt from its obligation to verify the suitability for the intended function themselves. We cannot accept liability for properties and technical specifications of our items if the properties of the items delivered by us are not taken into consideration sufficiently when designing or producing systems in which items delivered by us are installed, and as a result deviations occur. No time guarantees are accepted for the durability of materials, in particular of wearing parts.

VIII. General limitation of liability

1. We - including our management and other vicarious agents - shall only accept liability for the violation of contractual and non-contractual obligations, in particular due to impossibility, delays, tort on initiating a contract and impermissible acts in cases of intent and gross negligence, limited to the typical damages foreseeable on conclusion of the contract.
2. These limitations do not apply for culpable violations of major contractual obligations, where they endanger the achievement of the contractual purpose, in cases of mandatory liability under the German Product Liability Act, injury to life, limb or health, and not even if we maliciously failed to mention them or guaranteed their absence. The rules on the burden of proof are unaffected by this.
3. Unless otherwise agreed, contractual claims accruing to the Buyer against us due to or in relation to the delivery of items shall expire one year after delivery of the items. This period also applies for items which were used for a structure in accordance with their usual use, and caused the structure to be faulty, unless this use was agreed in writing. Irrespective of this, our liability for intentional or grossly negligent violations of our duties and the expiry of legal recourse claims are unaffected. In the event of subsequent performance, the expiry period does not start again.
4. Claims for recourse by the Buyer as defined in Art. 478 of the German Civil Code (BGB) are excluded if the Buyer does not fulfil its obligation to complain immediately per Art. 377 of the German Commercial Code (HGB), or does not do so in time. The Seller shall compensate the necessary and proven costs of the supplementary performance accruing to the Buyer due to claims by its customers.
5. Except in cases of intent, our liability does not include damage which is not typically to be expected in the specific transaction, or which is not typical for the contract. That also applies for such damage for which the Buyer is insured or can usually be insured.

IX. Copyright

1. We reserve the copyright to cost estimates, drafts, drawings and other documents; they may only be made available to third parties with our consent. Drawings and documents pertaining to offers must be returned to us on request.
2. If we deliver items based on drawings, models, samples or other documents provided by the Buyer, the Buyer assumes liability for ensuring that property rights of third parties are not violated by doing so. If third parties prohibit our manufacturing and delivery of such items based on property rights, we are entitled to cease all activities - without any obligation to examine the material and legal situation - and demand damages if the Buyer is liable. The Buyer also undertakes to release us immediately from all claims by third parties in relation to this.

X. Experimental parts, moulds, tools

1. If the Buyer must provide parts for the implementation of the order, fault-free items must be delivered free of charge and carriage-paid to the production facility in the agreed quantity or an appropriate surplus quantity for any rejects. If this does not occur, resulting costs and other consequences shall be borne by the Buyer.
2. Production of experimental parts, including the costs for moulds and tools shall be borne by the Buyer.

XI. Venue, jurisdiction and applicable law

1. The venue for the delivery and payment is Hötensleben, Germany. The jurisdiction for legal entities is Braunschweig, Germany. We may at our discretion file legal action against the Buyer in its jurisdiction as well.
2. The law of the Federal Republic of Germany applies in addition to these conditions for all legal relationships between the Buyer and us. The United Nations Convention on Contracts for the International Sale of Goods from 11/04/1980 is not applicable.

XII. Data protection

The supplier processes and uses personal data exclusively for the purposes of the contract and for advertising purposes, insofar as this is legally permissible without separate consent. The client may object to future use and disclosure of data for advertising purposes at any time. Upon completion of the contract, the client's personal data will be blocked from further use and deleted at the end of the statutory retention period, unless there is separate consent from the client for further use. In all other respects, the client has the right of access, to rectification, blocking and erasure of their data stored with the supplier in accordance with the provisions of data protection law.