

General terms of payment and delivery

Walter Dreizler GmbH Wärmetechnik

1. General:

Our orders are exclusively executed on the basis of the following "General terms of payment and delivery". By placing an order, the customer agrees to its application. Our "General terms of payment and delivery" apply exclusively; conflicting or deviating from our terms and conditions of the customer shall not apply, even if we have not explicitly contradicted. Divergent conditions of the customer are only valid insofar as we have explicitly agreed to them in writing.

2. Offer and order:

Illustrations, prices, measurements and weights in brochures, sample books and other printed matter are not binding. Our offers are non-binding. The contract is only concluded by our written order confirmation and its content.

3. Shipping:

3.1. If a shipping method is not expressly agreed, we will ship the goods at our estimation, but without liability for choosing the fastest or least expensive shipping method.

3.2. Shipping is at the expense and risk of the customer. The risk passes to the customer at the latest upon the handover of the goods to the person carrying out the transport. This also applies to the sending of partial deliveries.

3.3. If the shipment is delayed as a result of circumstances for which the customer is responsible, the risk shall pass to the customer from the date of the readiness for shipment communicated to us by the customer; However, we undertake, at the request of the customer and at his expense, to insure the goods from the date of readiness for shipment.

3.4. For transport damage no liability is accepted. The delivery must be checked by the customer upon receipt. Obvious damage and loss must be reported immediately by the customer to the goods handling or the transport company.

4. Delivery and delivery times

4.1. Partial deliveries are permitted and can be charged immediately, unless the

customer is not interested in a partial delivery.

4.2. Specified delivery dates and delivery times are not binding, unless they are expressly confirmed by us as a fixed date. The delivery periods begin on the date of our order confirmation, but not before complete clarification of all execution details and fulfillment of all obligations to cooperate to be fulfilled by the seller. The day of delivery of the goods to the dispatch person or the notification of readiness for shipment to the customer is considered to be the delivery day. The delivery deadline is automatically extended by the period during which the customer is in default of his obligations to cooperate with us; the same applies to delivery dates.

4.3. If a non-binding delivery date is exceeded, the customer is only entitled to withdraw from the contract after an unsuccessful expiry of a reasonable period of grace to be set by him.

4.4. In cases of force majeure and other unforeseeable, exceptional and unrelated circumstances, the delivery period shall be extended to an appropriate extent, insofar as we are prevented from fulfilling our obligation in due time. Cases of force majeure or other unpredictable, exceptional and unrelated circumstances are in particular no-fault material procurement difficulties, as far as they cannot be eliminated by all reasonable efforts, non-operational breakdowns, strikes, lockouts, lack of means of transport, official intervention, unenforceable energy supply difficulties, etc. If the delivery or service becomes impossible or unreasonable due to the aforementioned circumstances, we shall be released from the delivery obligation. If the delivery delay lasts more than two months for the reasons stated above, the customer is entitled to withdraw from the contract.

- 4.5. If the delivery time is extended according to the above provisions or if we are released from the delivery obligation, the customer cannot derive any claims for damages if the customer is a merchant, a legal entity under public law or a special fund under public law. We can only invoke the above circumstances if we have notified the customer without delay. In the event of withdrawal from the contract, we additionally undertake to reimburse the already received consideration of the customer without delay.
- 4.6. If the impossibility of timely delivery is due to delivery delays of our suppliers, which we are not responsible for, both parties have the right to withdraw from the contract as soon as the agreed delivery date is exceeded by two months. Also in this respect, we undertake to notify the customer of the delay in delivery without delay and to reimburse any consideration received without delay. Liability for damages in these cases is excluded if the customer is a merchant, a legal entity under public law or a special fund under public law.
- 4.7. If the delivery is delayed for reasons that are the responsibility of the customer, then we are entitled to store the goods at the expense of the customer if a period of five days is exceeded from the non-binding or bindingly agreed delivery date.
- 4.8. Incidentally, the liability of the seller for damages due to delay and impossibility is subject to section 10.7.

5. Prices

The prices are understood - insofar as the purchaser is a merchant, a legal entity under public law or a special fund under public law - in Euro ex works Spaichingen excluding packaging, plus statutory value added tax. The agreed purchase price is based on the material costs and wages at the time of the conclusion of the purchase agreement. In case of price increases of materials, increase of wages or occurrence of similar pricing circumstances, on which we have no influence, we are entitled to adjust our prices taking into account the interests of the customer. In this case, a price increase takes place in accordance with the percentage changes in material costs and/or wages or the like, taking into account the respective manufacturing status when the changes occur, that is, the adjustment refers only to the part of the price that corresponds to the costs still to be incurred. This price increase clause does not apply to non-merchants (with

the exception of a legal entity under public law and a special fund under public law) if the service is to be provided within four months of the conclusion of the contract.

6. Payment

- 6.1. Repair invoices and invoices for subcontracting orders are due for payment immediately. Incidentally, our invoices are within 8 days with 2% discount or within 30 days of the invoice date to pay net without deduction. This also applies to partial deliveries. The time of the credit on our account is decisive for the timeliness of the payment. This also applies if a term of payment is granted.
- 6.2. In the event of a material deterioration of the customer's financial circumstances, we are entitled to change the terms of payment of current invoices and any orders still to be executed or to withdraw from the purchase contract. This applies in particular to the initiation of enforcement actions against the customer, surrender of unsecured checks or the opening of insolvency proceedings.

7. Reservation of title

- 7.1. The delivered goods remain our property until full payment of the purchase price. If the customer is a merchant, a legal entity under public law or a special fund under public law, this also applies until full payment of all further existing and future claims that the seller has or acquires from the business relationship with the customer.
- 7.2. Before full payment - the same applies to a purchaser, a legal entity under public law or a special fund under public law for current account and balance reservation with extended reservation of title - neither a pledge nor a transfer by way of security or security transfer may be made by the customer without our consent. A seizure by third parties is to be reported to us immediately in writing.
- 7.3. The customer is revokably entitled to resell goods subject to retention of title in the ordinary course of business. He has to sell the goods under retention of title if the goods are not immediately paid in full by the third party purchaser. The customer hereby assigns to us his claims from such resale of the reserved goods in the amount of the amount that corresponds to the value

of the reserved goods. Upon request, the customer must name the debtor of the assigned claims to the seller and notify him of the assignment. If the resale is made together with other goods not belonging to the seller at a total price, the customer hereby assigns to us his claims from a resale in the amount that corresponds to the value of the reserved goods. Value of the goods is the invoice value of the seller plus a security surcharge of 20%.

- 7.4. If the goods are processed by the customer to a new product, the processing is done for us. The acquisition of property by the customer according to § 950 BGB is excluded in this case. In case of processing with other goods, which are not our property, we acquire co-ownership of the goods according to the ratio of the value of the goods delivered by us to the value of the other goods at the time of processing. The new product is considered reserved goods within the meaning of these conditions.
- 7.5. If the reserved goods are connected by the customer with a plot of land, so that it becomes an essential part of the property (§ 946 BGB), then the customer hereby assigns to the seller the enrichment right he is entitled to against the property owner in the amount equal to the value of the seller according to the value of the reserved goods.
- 7.6. The seller undertakes to release securities insofar as they exceed the value of the claims to be secured by more than 25%.
- 7.7. The provisions on extended retention of title (in particular items 7.3 to 7.6 above) shall only apply to merchants or legal persons under public law and public-law special funds.

8. Assignment, Offsetting

- 8.1. The customer is not entitled to transfer rights from this contract, in particular warranty and/or claims for damages, to third parties without our consent. An exception applies to the assignment of monetary claims under the conditions of 354 a HGB.
- 8.2. If the purchaser is a registered trader, a legal entity under public law or a special

fund under public law, then the latter is not entitled to withhold payment or set-off, unless the claims are undisputed or legally binding.

9. Notification and complaint obligations

If the buyer is a merchant or a legal entity under public law or a special fund under public law, obvious defects in the delivery must be reported to us in writing within one week of their receipt, non-obvious defects immediately upon discovery, otherwise the delivery is considered approved. Insofar as the purchaser does not belong to the mentioned circle of customers, there is a duty of complaint only for obvious defects; these are to be reported to us within two weeks. This regulation applies apart from material defects also for wrong deliveries and quantity errors of the delivery.

10. Warranty

For defects of delivery, the seller is liable as follows:

- 10.1. The customer is granted a warranty for the quality and faultless supply of the delivered goods for twelve months, starting from the day of delivery. If material defects occur within this time, the seller will choose a free repair of the parts sent in by the customer (while respecting the customer's claim for novelty) or a free replacement of new parts or a complete new product (supplementary performance). Replaced parts become the property of the seller. A warranty is only given for defects that have demonstrably resulted in defects in the goods as a result of a circumstance already existing prior to the transfer of risk - in particular due to faulty design, faulty building materials or defective execution. We only assume this warranty towards our contractual partner.
- 10.2. If the buyer is a full trader, a legal entity under public law or a special fund under public law, he is only entitled to rescind the contract after the definitive failure of our supplementary performance (subclause 9.1.)
- 10.3. Only in urgent cases of danger to operational safety of which the seller is to be informed immediately, or if the seller is in default with the elimination of a defect after setting a reasonable period by the customer, the customer has the right to have the defect remedied by himself or by a third party and to demand reasonable compensation from the seller for his

- costs.
- 10.4. In the case of subsequent performance, the seller bears the immediate costs of repair or, in case of replacement, the cost of the replacement part and its shipping costs. If the delivered goods have been installed in an overall system at the request of the customer, we shall only bear any costs of extension up to the value of the order. The sending of objectionable parts for the return or repair to the delivery works must first be done at the expense of the customer. If the notice of defects proves to be justified, the seller will be reimbursed for the shipping. If, after a subsequent performance has been carried out, a warranty claim of the customer did not actually exist, the customer shall reimburse the seller for the costs incurred as a result of the subsequent performance. The return of allegedly defective goods by the customer has to be done with simultaneous presentation of a proof of purchase and carefully packed. Even with the return of complete products that are sent for repair, a proof of purchase is required. If the subsequent performance by the seller requires a disproportionately high expenditure, the customer is entitled to the rights described in subclause 9.2.
- 10.5. If the customer has a branch office in the Federal Republic of Germany, then the seller has to deliver an owed replacement delivery free of charge only to the inland branch office of the customer. If such an office does not exist – in so far as the claim is found to be justified – the seller carries the expenses for the repair in the seller's factory, or respectively the expenses for the replacement part and in addition within the first six months after delivery the shipping expenses to German border or respectively FOB German port. The remaining costs are borne by the customer.
- 10.6. A warranty for the suitability of the goods delivered by the seller for the purpose intended by the customer is not accepted, unless the purpose is contractually agreed.
- 10.7. Further claims of the customer, in particular claims for compensation for damages which have not arisen on the delivery item itself, are excluded. This does not apply insofar as the damage was caused by intent or gross negligence on the part of the owner/executive or executive employee of the seller, as well as for damages resulting from injury to life, limb and health insofar as this was due to a negligent breach of duty by the seller or a willful or negligent breach of duty of a legal representative or vicarious agent of the seller. Incidentally, we are liable for negligent breaches of duty only if we have violated a duty, the observance of which is of essential importance for the achievement of the purpose of the contract (cardinal obligation). In this case, the liability is limited to the contractually foreseeable damage.
- 10.8. The seller is liable for defects of the parts and parts used in his products, which he has not produced himself, to a customer, the merchant, a legal entity under public law or a special fund under public law, only subsidiary as follows: The seller is obliged to assign his warranty claims against the supplier to the customer. The customer is obliged to assert first the claims of the customer against the supplier to be assigned to him. This does not apply if the seller declares his willingness to assume liability. Only in the event that a court claim by the customer towards the subcontractor fails and in so far as in individual cases it is foreseeable to be unsuccessful and thereby unreasonable for the customer from the beginning – then the self-liability of the seller is revived. In this case, the seller also compensates the customer for the incurred legal expenses that could not directly be recovered from the subcontractor.
- 10.9. Any liability of the seller is excluded for defects or damage caused by
- faulty installation, faulty commissioning or operation of the system due to non-compliance with the installation, commissioning and operating instructions by the customer or his vicarious agents,
 - improper interventions on the object of purchase by third parties who are unfamiliar with the handling of the object of purchase or not trained;
 - the installation of parts of foreign origin by the customer, which were not purchased from the seller
 - non-compliance with the maintenance instructions of the seller

- further use of the object of purchase despite the occurrence of a defect.
- 10.10. Insofar as we have taken over planning aids at the customer's special request beyond our obligation to deliver, we shall be liable only to the extent that we correct or provide our demonstrably incorrect planning aids at our discretion. We shall only be liable for further damage if the damage was caused by intent or gross negligence on the part of the owner or executive employee of the seller as well as for damages resulting from injury to life, limb and health, insofar as these were caused by a negligent breach of duty by the seller or a willful or negligent breach of duty by a legal representative or vicarious agent of the seller. Incidentally, we are liable for negligent breaches of duty only if we have violated an obligation, the observance of which is of essential importance for the achievement of the purpose of the contract (cardinal obligation). In this case, too, the liability is limited to the contractually foreseeable damage.
- 10.11. The limitations of liability do not apply in cases where the seller is liable under the Product Liability Act for personal injury or property damage to privately used objects.

11. Export controls

- 11.1. If the customer intends to (re-) export goods, he commits himself to obtain the required permits and to observe the applicable regulations during the (re-) export. These include in particular the provisions of the German Foreign Trade and Payments Act (AWG) and the German Foreign Trade and Payments Ordinance (AWV) or the applicable foreign trade law as well as the EC-Dual-Use Regulation as well as other regulations, such as for example, the US import and export regulations. The (re) export of goods, whether in the form sold to the customer or as part of a new product that violates the above provisions, is not permitted.
- 11.2. We do not approve of the export suitability of the parts and equipment sold by us and/or delivered domestically, nor is the export suitability of any agreed quality. If no export license exists, we are not liable for material and legal defects.
- 11.3. The customer undertakes to inform us independently about the respective valid

regulations and ordinances. Regardless of whether the customer informs us of the final destination of the goods, it is the customer's responsibility to obtain the necessary approval from the relevant foreign trade authorities before exporting the goods or products. In this respect, we have no obligation to provide information, advice or cooperation.

- 11.4. If the customer has an export license that relates to any of our goods or our goods as part of a new product, the customer undertakes to notify us immediately of any change in circumstances that may affect the export license. The customer undertakes to notify us immediately if the use, sale, import or export of our goods is subject to export restrictions or that export concessions are denied, suspended or withdrawn.
- 11.5. The customer will notify us immediately if he is on the Denied Parties List of the US Bureau of Industry and Security or a similar list. If the customer's (also) military activities serve this purpose, the customer agrees to maintain an effective export/import compliance program in accordance with the International Traffic in Arms Regulations (ITAR) and register with the United States Office of Defense Trade Controls unless the orderer is subject to any of the exceptions set out in 22 CFR International Traffic in Arms Regulations, Part 122.1.
- 11.6. The customer will indemnify us, our managing directors, employees and vicarious agents from all liabilities arising from any breach by him, his employees, vicarious agents, suppliers or subcontractors of the obligations set forth in this section.
- 11.7. The customer undertakes to oblige third parties to deliver goods or products in which our goods are part, and to do so to the extent specified above. The customer is liable to us in full for non-compliance with the relevant provisions by third parties. The customer must inform us immediately if he becomes aware of breaches of third parties against their obligations in connection with the (re) export of our goods or products developed from them.

12. Applicable law, place of performance, place of jurisdiction

12.1. Place of fulfillment for deliveries and payments as well as place of jurisdiction for both parties is Spaichingen, if the contractual partner is a registered trader, a legal entity under public law or a special fund under public law. But we are also authorized to undertake court claims at the location of the customer.

12.2. German law applies exclusively as long as there are no binding legal stipulations that stand contrary to this. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

13. Severability clause

Should a provision of these conditions be or become ineffective, this shall not affect the validity of the remaining provisions. The contracting parties are obliged to replace the ineffective provision with an effective provision that is as close as possible to the economic success of the invalid provision.