

General Terms and Conditions of Sale

- 1. General – Area of application:** Our General Terms and Conditions of Sale only apply to entrepreneurs as defined by Section 310 (1) German Civil Code (BGB). Our General Terms and Conditions of Sale apply exclusively. Any contradictory or divergent terms or conditions of the customer only apply if we agree to said terms and conditions explicitly and in writing. Our General Terms and Conditions of Sale also apply exclusively if we supply customers unreservedly in acknowledgement of terms and conditions of the customer that contradict or diverge from our General Terms and Conditions of Sale.

All agreements made between us and the customer concerning the performance of this contract are recorded in writing in this contract.
- 2. Offer – Offer documents:** If the order constitutes an offer as defined by Section 145 German Civil Code (BGB), we can accept said offer within a period of two weeks.

We reserve rights of ownership and copyright to all illustrations, drawings, calculations and other documents. The customer requires our explicit permission before disclosing these documents to third parties.
- 3. Prices – Terms and conditions of payment:** Prices are quoted ex works, unless otherwise stated in the order confirmation. Prices do not include packaging, which is invoiced separately. Statutory value-added tax is not included in our prices; it is invoiced separately at the valid amount on the date of the invoice. Explicit permission is required for discounts.

The net purchase price (without deductions) is due for payment within a period of thirty days from the invoice date, unless otherwise stated on the order confirmation. The consequences of default in payment extend to the scope defined by law.

The customer may only offset amounts with legally binding and undisputed counterclaims recognised by us. The customer may only exercise its right of retention if the counterclaim is based on the same contractual relationship.
- 4. Delivery period:** The start of the delivery period stated by us is contingent on the clarification of all technical issues.

In addition, adherence to our delivery obligation is also contingent on the prompt and proper performance of due obligations on the part of the customer, particularly the duty of the customer to cooperate. We reserve the right to claim this contract as unfulfilled. If the customer enters default in acceptance or culpably breaches other duties of cooperation, we are entitled to claim compensation for any damages arising including any additional expenditures incurred. We also reserve the right to exercise further claims or rights. If prerequisites laid out in Section 3 are fulfilled, the risk of accidental destruction or damage to the purchased goods is transferred to the customer as soon as the customer has fallen into default in acceptance or payment.

Our liability extends to the scope defined by law, provided the underlying purchase contract constitutes a fixed transaction as defined by Section 286 (2) No. 4 German Civil Code (BGB) or Section 376 German Commercial Code (HGB). Our liability extends to the scope defined by law if a delay in delivery for which we are culpable results in the customer no longer having any interest in the further performance of the contract.

Our liability also extends to the scope defined by law if the delay in delivery is based on a culpable or grossly negligent breach of contract on our part. Fault of our legal representatives or vicarious agents is to be attributed to us. If the delay in delivery is based on a grossly negligent breach of contract attributable to us, our liability for compensation for damages is limited to foreseeable damages that typically occur.

Our liability also extends to the scope defined by law if the delay in delivery, for which we are responsible, is based on the culpable breach of a material contractual obligation. In this case, however, our liability for compensation for damages is limited to foreseeable damages that typically occur.

Partial deliveries are permitted.

Excess or short deliveries are permitted unless the volume or weight discrepancies exceed amounts customary for the trade.
- 5. Transfer of risk – Packaging costs:** Delivery is ex works unless otherwise agreed in the order confirmation. Special agreements apply to the return of packaging.

If desired by the customer, we will insure the delivery through a transport insurance policy. All costs incurred for such insurance are borne by the customer.
- 6. Liability for defects:** Claims for defects are contingent on the customer properly meeting its inspection and objection obligations as defined by Section 377 German Commercial Code (HGB).

Claims for defects are also contingent on the customer complying with our instruction manual and using the goods in accordance with the provisions defined in the instruction manual. If relevant instruction manuals are not enclosed with the delivery, the customer can download them at our website – www.rurex.de/english.

In the case of a defect to the purchased thing, we are entitled to cure by remedying the defect or supplying a thing free of defects at our discretion. If the cure fails, the customer is entitled to revoke the contract or reduce the remuneration. In the case of the remedying of defects or supplying of a replacement, we are obliged to bear all expenses required for the purpose of cure, in particular transport, workmen's travel, work and materials costs, provided that these costs do not increase as a result of the purchased thing being shipped to a different location to the place of performance. If the cure fails, the customer is entitled to request the revocation of the contract or a reduction in the remuneration at its discretion.

Our liability extends to the scope defined by law insofar as the customer exercises claims for compensation for damages based on cases of intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents. Liability for compensation for damages is limited to foreseeable damages that typically occur provided we are not accused of an intentional breach of contract.

Our liability extends to the scope defined by law insofar as we culpably breach a material contractual obligation. However, in this case liability for compensation for damages is limited to foreseeable damages that typically occur.

If the customer has a claim for compensation for damages instead of performance otherwise due to a negligent breach of contract, our liability for compensation for damages is limited to foreseeable damages that typically occur.

This does not affect liability based on culpable injury to life, limb or health; this also applies to mandatory liability in accordance with the Product Liability Act (ProdHaftG).

Liability is excluded unless otherwise agreed above.

The limitation period for claims for defects is twelve months from the transfer of risk. This also applies for claims for recourse in accordance with Sections 478 and 479 German Civil Code (BGB) if our customer does not sell our goods to a consumer. This does not affect the limitation period in the case of recourse in accordance with Sections 478 and 479 German Civil Code (BGB).
- 7. Overall liability:** Further liability for compensation for damages beyond the extent defined in Section 6 is excluded, irrespective of the legal nature of the exercised claim. This applies in particular to claims for compensation for damages based on fault in the conclusion of the contract, other breaches of obligations or wrongful claims for compensation for damages pursuant to Section 823 German Civil Code (BGB). The limitation of liability pursuant to Sections 1 and 2 also applies insofar as the customer requests compensation for money spent to no avail instead of performance in place of compensation for damages.

The extent to which liability for compensation for damages is excluded or limited in respect to us also applies to the personal liability for damages of our wage-earners, salary-earners, employees, representatives and vicarious agents.
- 8. Securing retention of title:** We retain the title of the purchased thing until the receipt of all payments defined in the delivery contract. In the case of breach of contract on the part of the customer, particularly default in payment, we are entitled to take back the purchased thing. This results in the revocation of the contract. After taking back the purchased thing, we are entitled to liquidate the thing and offset the proceeds from liquidation against the customer's liabilities – less appropriate liquidation costs.

The customer is obliged to treat the purchased thing with care; in particular, the customer is obliged to insure the thing at its replacement value against fire and water damage and against theft at its own expense. The customer must carry out maintenance and inspection work promptly and at its own expense as and when required.

The customer must inform us immediately in writing of any pledges or other third-party intervention so that we can lodge opposition in accordance with Section 771 German Code of Civil Procedure (ZPO). If the third party is not in a position to reimburse the legal and out-of-court costs of an objection in accordance with Section 711 German Code of Civil Procedure (ZPO), the customer is liable for the losses incurred by us.

The customer is entitled to sell on the purchased thing in a proper business transaction, however the customer pre-emptively assigns to us all receivables in the amount of the final invoice (including VAT) of our receivable that arise against its customer or a third party from the sale of the purchased thing. This applies in all cases, irrespective of whether the purchased thing was sold after being processed or not. The customer also remains entitled to collect this receivable after assignment. This does not affect our ability to collect the receivable ourselves. We do, however, undertake not to collect the receivable provided the customer meets its payment obligations from the generated proceeds and does not enter default in payment and, in particular, provided there is no application for the initiation of insolvency proceedings or the suspension of payments. If this is indeed the case, we can request that the customer discloses assigned receivables and the relevant debtors, makes all statements required for collection, delivers the required documents and notifies the debtors (third parties) of the assignment.

The processing or transformation of the purchased thing by the customer is always carried out on our behalf. If the purchased thing is processed with other objects not belonging to us, we shall acquire co-ownership of the new thing. The shares of ownership of the new thing are determined by the relationship of the value of the purchased thing (final invoice amount including VAT) to the other processed objects at the time of processing. The same applies to the thing created through processing as to the purchased thing delivered subject to a reservation.

If the purchased thing is inseparably mixed with other objects not belonging to us, we shall acquire co-ownership of the new thing. The shares of ownership of the new thing are determined by the relationship of the value of the purchased thing (final invoice amount including VAT) to the other mixed objects at the time of mixing. If the objects are mixed in such a way that the customer's thing is considered to be the main thing, it is agreed that the customer transfers co-ownership to us on a pro rata basis. In this way, the customer retains sole ownership or co-ownership on our behalf.

We undertake to release collateral to which we are entitled at the request of the customer insofar as the recoverable value of our collateral exceeds the collateralised receivables by more than 10 %. Collateral is selected for release at our discretion.
- 9. Place of jurisdiction – Place of performance:** Our registered place of business is the place of jurisdiction if the customer is a merchant. However, we are also entitled to take legal action against the customer at the court of the customer's domicile.

The law of the Federal Republic of Germany applies. The United Nations Convention on Contracts for the International Sale of Goods (CISG) does not apply.

Our registered place of business is the place of performance unless otherwise agreed in the order confirmation.