

**General Sales Terms and Delivery Conditions of
Brand Rühr- und Pumptechnik GmbH
Wellingholzhausener Straße 6
D - 49324 Melle**

1. General

The following General Sales Terms and Delivery Conditions are exclusively authoritative for the delivery of our products unless we have specified otherwise in writing or confirmed a different agreement. These conditions apply for all of our business dealings. Any general terms and conditions which conflict with the General Sales Terms and Delivery Conditions of the Brand company are not recognised. Their applicability is expressly rejected. Silence on our part with respect to the submission of general terms and conditions of the customer does not apply as consent to inclusion of the general terms and conditions of the customer. Our General Sales Terms and Delivery Conditions in the currently valid version are, insofar as their validity has been agreed upon, also a component of all future contracts in ongoing business relations without the need of express notification in the individual case, even if these conditions should be partly or wholly inapplicable in an exceptional case, because different agreements were made for these affairs. These General Terms and Conditions also apply for international business dealings and sales.

2. Offers, subsequent changes to specifications, scope, miscellaneous

a) Our offers are non-binding. The documents belonging to our offers, particularly figures, drawings, plans, calculations, tables and specifications for dimensions, weights, operating material consumption, operating costs, etc. are guideline values and are not guaranteed characteristics unless we have expressly stated that they are binding for us. We are not bound to verbal side agreements until they have been confirmed in writing. Statements made by our staff, travellers or sales representatives require our written confirmation for their validity. We are bound to our written offers for 14 days.

b) Changes to technical specifications by the customer after conclusion of contract are only possible with our approval. A claim to approval does not exist. Provided that we approve and nothing different has been agreed upon, the customer shall assume any additional expenses that arise, including expenses for material that we have already procured for this order but no longer require due to the change.

c) We are entitled to make changes to the details of the implementation insofar as they are based on advancements in technology or the model and insofar as this does not impair the planned use of the product to be manufactured.

d) Our written order confirmation is definitive for the scope of service.

e) We are entitled to place sub-orders and to carry out test drives as well as vehicle transfers as part of the contractual relationship.

3. Prices

a) All of our prices are net prices without the statutorily prescribed value-added tax - insofar as applicable - and ex works free on truck. Packaging and loading materials are not included. The actual transport costs will be billed additionally if we are commissioned with the haulage.

b) We are entitled to increase agreed prices subsequently if the key cost factors on which the price is based, particularly wages, raw materials and energy costs increase - individually or collectively - by more than 5% and the time period between conclusion of contract and delivery is more than four (4) months. The increase is limited to the amount of the actual cost increase of the cost factors on which the price is based. In case of price increases of more than 5% of the agreed price, the customer shall be entitled to a 14-day right of cancellation from the time of notification of the price increase. The cancellation must take place in writing.

4. Payment conditions

a) Unless something different has been agreed upon, our invoices are payable 40% on conclusion of contract, 50% on notification of readiness for shipment and 10% after acceptance of the final assembly. Bills of exchange and cheques are only accepted, if at all, for the sake of fulfilment and are subject to discounting possibilities. All expenses accruing in this respect shall be borne by the customer. The acceptance of a cheque after the due date or prolongation does not equate to an extension of the term of payment. We reserve the right to return bills of exchange or cheques at any time. If the customer has arranged for payments internationally, they must bear all associated fees. If payment amounts received by us are decreased due to bank fees, the customer will be billed for the difference.

b) If the customer enters into default of payment, we are entitled to demand interest at a rate of 12.5% p.a. without special notification and to bill a reminder fee of EUR 5.00 for each reminder. The assertion of higher default damages is reserved in the individual case. If the customer fails to fulfil their payment obligations or the cheque given to us is not honoured, or other circumstances come to light that cast doubt on the fulfilment of the customer's liability towards us, all of our claims based on concluded deliveries become due for payment immediately without consideration of prior payment agreements. Deliveries to the customer that are still outstanding can then be carried out by us cash on delivery or after submission of suitable collateral, until which time our delivery obligation is in abeyance. The customer is entitled to furnish payment in advance instead of furnishing suitable collateral. If the demanded collateral is not furnished within one week, we can withdraw from the contract. If partial payments are agreed upon, the remaining amount becomes due immediately if the receipt of an instalment is delayed more than 10 days in breach of the agreement. Payments to third parties, particularly sales representatives or travellers, are not recognised unless said persons are expressly authorised to collect payments.

c) If a call-off order of goods is agreed upon, we are entitled to invoice the customer at the time of readiness for delivery. In this case, the purchase price is due for payment. For custom designs, we are entitled to demand advance payment of 30% of the order total after conclusion of contract.

d) We reserve the right to carry out repairs and/or spare part deliveries for new customers after payment in advance or cash on delivery.

5. Offsetting, right of retention

Offsetting against our claims is only permissible with claims that are undisputed or which have been determined to be legally valid. However, the offsetting with synallagmatic counterclaims is permissible, even if they are disputed by us. The right of retention based on other claims of the customer against us not originating from the same contractual relationship is excluded.

6. Delivery periods

a) Unless something different has been agreed upon, the specified delivery periods are approximations, unless a binding date has been expressly agreed upon. Moreover, our delivery periods are subject to delivery by our suppliers, possibility of delivery and prior sale. The delivery period begins on the day of order acceptance by us, but not before complete clarification of all execution details, handover of items required production to be procured by the customer and/or not before submission of documents, technical specifications, approvals, releases and receipt of any agreed payment by the purchaser. Timely delivery is subject to correct and timely delivery by our suppliers. We shall notify the customer as soon as possible of emerging delays. In the case of custom designs, the delivery period does not begin until receipt of payment in advance (see 4. c)), provided that it is billed. If the subject matter of the contract is not handed over by the agreed repair/assembly date and we move up an order which was actually planned for a later date for the purpose of minimising damages, the agreed delivery period does not begin before the completion of the order that was moved up and only if the subject matter of the contract has been handed over to us.

b) The delivery period is observed with timely notification of readiness for collection. If shipping is agreed upon, the delivery period is observed with notification of readiness for shipping if the dispatch is not possible for us for reasons for which we are not responsible. In the event that the goods are to be shipped by us, the day of delivery applies as the day of dispatch. If collection is agreed upon, the day of delivery applies as the day of notification of readiness for shipping. If only approximate delivery periods are specified, the customer cannot place us in default until expiration of a period of ten work days after the end of this delivery period.

c) In case of delivery delays based on *force majeure*, turmoil, strikes, lockouts or operational interruptions for which we are not responsible, including such circumstances with our suppliers, the delivery period shall be extended by the time period until the disturbance has been eliminated, insofar as the disturbance has an influence of the production or delivery of the delivery item. We will notify the customer of the beginning and end of such impediments as soon as possible. In case of lasting operational interruptions for which we are not responsible, including cases in which we do not receive delivery from our suppliers for reasons for which we are not responsible, both the customer and we have the right to withdraw partly or wholly from the contract to the exclusion of any claims for compensation. Operational interruptions are lasting if they continue for at least two months.

d) Claims for damages against us based on delivery default can be asserted strictly under the requirements of § 10 c) to e) below. Provided that we are liable, the amount of the damage claim is limited, insofar as we or our vicarious agents are only liable based on negligence or minor negligence, to 0.5% of the agreed price for each whole week, limited to a maximum of 5% of the agreed price.

e) If shipping or handover is delayed by more than one month from the time of notification of readiness for shipping or collection for reasons for which the customer is responsible, we are entitled to store the delivery item at the expense and risk of the customer. In the event of storage by us, we are entitled to bill 0.125% of the agreed price per whole week. The customer is free to prove lesser damages.

7. Partial delivery, shipping

a) The Brand company is entitled to partial deliveries. The customer is obligated to accept partial deliveries. If we enter into default with delivery of the still outstanding parts and a grace period of two weeks to be set by the customer in writing has passed unsuccessfully, the customer can only withdraw from the overall contract if the missing parts cannot be procured in another manner and the delivery parts on their own are not useful for the customer.

b) Delivery takes place, according to our discretion, with a normal, suitable means of transport at the expense of the customer plus the costs for packaging and insurance, unless something different is indicated in our currently valid price list. In this connection, transport insurance will only be provided at the express request of the customer.

c) Deliveries always take place - even if we assume the freight costs - at the customer's risk, unless we carry out the transport with our own vehicles and personnel and damages are not caused by third parties. The risk transfers to the customer with handover of the goods to the postal service, parcel service, courier or freight forwarder, but no later than the time at which the goods leave the factory or warehouse. This applies particularly sales where CIF, CFR, FAC, FAS or SOB was agreed upon. The separately specified shipping conditions apply for international deliveries.

8. Copyright

All usage rights under intellectual property law to any processing and for any purpose of use of sketches, drafts, originals, films, models, drawings and similar property of the Brand company are reserved, subject to explicitly deviating regulations.

This property must not be made accessible to third parties without our consent. Production means - such as films, tools, dies, etc. - remain our property, subject to explicitly deviating regulations.

We expressly reserve right to exploitation of these items and the intellectual services which they embody.

We are entitled to apply our company name and logo. The customer is prohibited from removing such symbols applied by us.

9. Flat rate compensation for damages

In the event the customer expressly or implicitly refuses fulfilment of the contract, without justified grounds, particularly acceptance of the delivery item, we are entitled, after repeated written request with a rejection warning with a period of 10 days, to demand flat rate compensation for damages in the amount of 25% of the order total. The right to assert additional damages is reserved. The customer's right to prove that no further damages or no damage were incurred at all remains unaffected.

10. Claims for defects and damage claims

a) With entitled objections, the subsequent fulfilment is carried out, according to our discretion, with subsequent improvement or replacement delivery, insofar as the statutory conditions for this are fulfilled. The customer is also entitled to further statutory claims to withdrawal from the contract and price reduction, provided that the statutory requirements for this are fulfilled. § 377 of German Commercial Code remains unaffected. The customer must report obvious defects within seven (7) days of transfer of the item and within seven (7) days of discovery of concealed defects with detailed specification of the error in writing. This period extends to 14 days with delivery to third parties. If the customer fails to fulfil this obligation, any warranty claims are voided, except for in the cases of section c) of this article.

b) Provided that the customer is entitled to rights of recourse in exceptional cases according to the statutory provisions in accordance with § 478 of German Civil Code, said rights exist only to the extent that the customer has not granted any rights to their customers which exceed the statutory rights based on claims for defects.

c) Customer is entitled to unlimited damage claims according to the statutory provisions if said claims are based on an injury to the life, limb or health and are caused by an intentional or negligent breach of duty by us, one of our legal representatives or vicarious agents **or** are based on the German Product Liability Act **or** are based on an intentional or grossly negligent breach of duty by us, our legal representatives or our vicarious agents **or** are based on fraud **or** if expressly guaranteed characteristics are absent, if the aim of this guarantee is to safeguard the customer against damages which are not incurred on the delivery item itself **or** we have assumed a procurement risk or guarantee and are thus liable.

d) If a damage is only based on a negligent breach of a fundamental contractual duty (cardinal duty) by us, our legal representatives or our vicarious agents, we are also liable to compensation for damages, however the amount is limited to the typically arising and foreseeable damages, unless we are liable without limitation in accordance with sections b) and c) of this article.

e) Fundamental contractual duties (cardinal duties) as defined in the preceding regulations are duties which must be fulfilled for the appropriate implementation of the contract and observance of said duties is normally expected by the customer. Moreover, a breach of fundamental contractual duties (cardinal duties) puts the achievement of the purpose of the contract at risk. The statutory allocation of the burden of proof shall remain in effect.

Additional damage claims against us, our legal representatives and our vicarious agents and assistants are excluded, regardless of the legal grounds on which they are based.

f) No liability is assumed for damages for which we are not responsible. This includes, for example, damages incurred for the following reasons: Unsuitable or improper use or cleaning, overuse, natural wear, deficient or negligent handling/operation, use of unsuitable equipment or disregard of the operating manual or maintenance specifications.

g) If the customer plans to export the purchase item and the purchase item is subject to special statutory requirements there, the customer is solely responsible for observance thereof, unless we were informed by the customer about said requirements and have expressly assured observance of such requirements in writing.

h) If our costs increase in the scope of the remedy of defects such that the purchase item was moved to a different location than the place of fulfilment (e.g. travel expenses and accommodations, etc.), the customer must indemnify us against such costs.

i) If we are obligated to remedy defects and the customer does not grant us an appointment to carry out the necessary work within six (6) weeks after their notification of defects was received by us despite written request, our obligation is voided. If, based on the customer's description of defects or our inspection, we prohibit further use of the subject matter of the contract until the defects have been rectified in order to avoid a potential worsening of the damage and the customer violates this prohibition, our liability is voided.

j) We will provide a warranty for the parts installed during the rectification work up to the expiration of the warranty period of the subject matter of the contract.

11. Period of limitation for claims for defects

The customer's claims based on defects expire 12 months after the commissioning, but no later than 15 months after handover of the item, provided that we are not responsible for the non-commissioning, unless

a) it involves claims of the type that are regulated in § 479 of German Civil Code **or**

b) the defect was fraudulently concealed or is based on an intentional breach of duty by us or our legal representative or our vicarious agents.

In case a) and b) and for damage claims which are not excluded in accordance with § 10, the statutory periods of limitation apply. Statutory provisions on the suspension and the new beginning of the period of limitation shall remain unaffected.

With the sale of vehicles, the following applies additionally:

a) With new vehicles, the warranty period ends after the expiration of the indicated period or after a distance of 50,000 km kilometres travelled, whichever comes first.

b) Used vehicles are sold as seen to the exclusion of any warranty, unless something different was agreed upon in writing.

12. Right of withdrawal

If nothing special has been agreed upon, the customer can withdraw from the contract, if the purchase item is defective and the statutory withdrawal requirements (particularly § 440 of German Civil Code) are fulfilled. In case of a breach of duty which is not based on a defect of the purchase item, the customer can only withdraw from the contract if we or our legal representatives or our vicarious agents are responsible for the breach of duty and the statutory withdrawal requirements are fulfilled. The statutory allocation of the burden of proof shall remain in effect. § 6 c) of these conditions remains unaffected. In other cases (e.g. accidental incorrect orders or other mistakes in motivation of the customer), the customer can only cancel the contract or withdraw from the contract with our express consent. A claim to approval of does not exist. If we provide approval, the goods must be returned to us freight paid (Brand Rühr- und Pumptechnik GmbH, Wellingholzhausener Str. 6, 49324 Melle). The return shipment in these cases always takes place at the customer's risk. We bill a flat rate handling fee of 20% of the order value, but at least € 250.00 for acceptance of returns, insofar as nothing different has been agreed upon contractually. In cases where we have already purchased material for custom designs, the customer must also assume the net costs for said material, insofar as nothing different has been agreed upon in the individual case.

§ 13 Customer-provided materials, specified design, assembly/repair, acceptance

a) Provided materials

If it has been agreed with the customer that materials required for production are provided partly or completely by the customer, the suitability of said materials for the intended use must be ensured by the customer. We are not obligated to inspect customer-provided products or materials for suitability for the contractually determined purpose of production. If we discover defects on customer-provided products/materials before or during production, the customer will be notified promptly. Then, it is the customer's decision to procure a replacement or to commission us with the procurement of the products/materials to be replaced against payment. All delays arising for this purpose extend the previously agreed delivery periods for the duration of the delay. The customer must reimburse us for the entire amount of the additional expenses arising due to the replacement of customer-provided products/materials, particularly for additional labour time and materials not delivered by us. If a defect on the customer-provided products/materials is not found until after production has been completed, the customer is still obligated to pay the agreed purchase price and to accept the goods. We assume no guarantee for customer-provided products/materials.

b) If the customer specifies the design, they assume sole responsibility for observance of all national and international legal specifications in any respect. We are not obligated to inspect a specified design for technical and legal harmlessness. If we discover defects in the specified design before or during production, the customer will be notified promptly. Then, it is the customer's decision to arrange for a correction or to commission us with the correction against payment. All delays arising for this purpose extend the previously agreed delivery periods for the duration of the delay. The customer must reimburse us for the all additional expenses arising due to the correction of the specified design, particularly additional labour time. If a defect on the specified design is not found until after production has been completed, the customer is still obligated to pay the agreed purchase price and to accept the goods. We assume no guarantee for specified design.

c) Assembly by us or our vicarious agents

If we are commissioned with the assembly, the customer is liable for all costs of any waiting times

if we cannot begin the work on a timely basis at the agreed beginning of assembly due to an inadequate construction process. The customer must notify us immediately of on-site delays of the assembly date. If such notification is provided within three (3) or fewer days before the beginning of assembly, the customer must provide us with compensation in the amount of 7% of the order total. The customer reserves the right to prove a lower amount of damages incurred by us. Assertion of further damages is also reserved.

Insofar as we are commissioned with assembly on the customer's premises, we are entitled to send the required tool and equipment to the customer in advance and at our own expense. The customer is obligated to receive the shipment, inspect it for damage completeness according to the delivery note provided in advance and too store the delivery in an appropriate manner. If the delivery is incomplete or damaged, the customer must file a claim with the freight carrier and notify us immediately in writing. If the customer fails to fulfil this obligation and we cannot assert any claims for compensation against the freight carrier, the customer is liable for the damages incurred by us. Insofar as our tools and equipment are damaged during storage by the customer or are lost during this time, the customer is liable for the damages incurred by us, provided that they violated the duties of a diligent businessman.

d) Preliminary assembly work of the customer

Insofar preliminary work is necessary as preparation for the assembly work agreed upon with us, e.g. electrical installation and/or routing of water supply and drainage lines, etc., is necessary, said preparation must be carried out by the customer. Any necessary masonry, concrete, fracture, casting and plastering work, as well as admission of all delivery parts through the roof of the building, must also be carried out by the customer.

If we are commissioned with the assembly and the customer carries out preliminary assembly work, we are not obligated to inspect said preliminary assembly work for defects. In this case, continued assembly on our part in no way entails acceptance of the preliminary work of the customer. If we discover defects in the preliminary work before or during our assembly work, the customer will be notified promptly. Then, it is the customer's decision whether to remedy the defects on their preliminary work themselves or to commission us with the rectification of defects against payment. All delays arising for this purpose extend the previously agreed delivery periods for the duration of the delay. The customer must compensate us, particularly for all additional labour time and materials delivered by us - insofar as they cannot be used - for the rectification of defects on the preliminary work of the customer and the resulting removal work of elements which have already been installed by us. If a defect on the preliminary assembly work is not discovered until after completion of our assembly work, the customer is still obligated to accept and pay for our assembly work – provided that it is free from defects.

e) Acceptance

If the acceptance of our performance or a partial performance is contractually agreed upon or statutorily required, the customer must carry out the acceptance with 12 work days after receiving our written notification that the performance is ready for acceptance. If this period expires unsuccessfully, the performance shall apply as accepted. However, this only applies if we have expressly referred to this legal consequence in our written notification of readiness for acceptance.

f) Our general assembly conditions apply additionally.

14. Retention of title

The delivered goods remain our property until complete fulfilment of all claims to which the Brand company is entitled against the customer from the business relationship. The customer is entitled to sell and dispose of the goods in the normal course of business. However, to safeguard our claims, the customer hereby assigns us all claims to which they are entitled for the resale to their customer, in the amount of the invoice, including statutorily prescribed VAT, regardless of whether the goods were resold without or after further processing. If the customer incorporates the goods into property so that we lose the title to said goods, the customer hereby assigns us the claims to which they are entitled as a result in the amount of the invoice, including statutorily prescribed VAT, with all rights, including the right to the granting of a debt-securing mortgage. If the property is under the ownership of the customer, they hereby assign us any sales proceeds from the property or a right to the property in the aforementioned scope.

If processing or combination of our goods with other goods takes place, we retain co-ownership of the new item proportional to the invoice amount of our goods in relation to the invoice values of the other goods. The value of the goods subject to retention of title according to the meaning of this condition is our invoice value. If the customer is the sole owner of the new item, it applies as hereby agreed that co-ownership is granted to us in the aforementioned proportion. If the goods subject to retention of title are sold together with other goods not delivered by us, the customer hereby assigns us a portion of the claim from the resale in the amount of the invoice value of our goods subject to retention of title. If the customer has sold this claim as part of genuine factoring, they hereby assign us the claim against the factor arising in its place. If the claim from the resale is placed by the customer in an open account relationship with their customer, the customer hereby assigns us their claims from the open account relationship in the amount of the invoice value of the goods subject to retention of title. At the request of the customer, we are prepared and obligated to release collateral according to our discretion if and to the extent that the value of the collateral exceeds the value of the claims from the open account relationship by 10%. The customer remains entitled to collect the claims from their customers as long as the customer fulfils their payment obligations to us in an orderly and punctual manner. Our authority to collect the claim ourselves remains unaffected. However, we are obligated to collect claims as long as the customer fulfils their payment obligations from the collected proceeds, is not in default of payment and, in particular, no petition for the initiation of insolvency proceedings over the assets of the customer has been submitted. If one of the aforementioned cases applies, the customer is obligated to provide us with an invoice for the sale of the goods subject to retention of title, to identify the third-party debtor and to provide us with all information necessary for collection. The customer must notify the third-party debtor of the assignment and request that they make payment to us exclusively.

The customer is obligated to handle the goods subject to retention of title cautiously and carefully and insure them against water, fire, burglary, theft and ordinary usual risks. If the customer fails to fulfil their obligation to arrange for insurance despite a written reminder by us, we are entitled to arrange for an appropriate insurance policy at the expense of the customer. If the insurance case arises during our retention of title, the insurance benefit must be utilised for the repair and/or new procurement of the subject matter of the contract.

The customer shall keep the goods subject to retention of title safe for us, free of charge. All claims against the insurer or insurers and/or third-party injuring party are assigned to us for the purpose of fulfilment.

With the sale of vehicles, we are entitled to the right to the immediate ownership of the vehicle title or comparable papers for the duration of the retention of title.

Customer must notify us immediately about third-party enforcement measures on the goods subject to the retention of title or the claims assigned as collateral with provision of all information and papers required for us to intervene. The costs of the intervention shall be borne by the customer. Moreover, the customer must notify us of damages or loss of the goods subject to retention of title and any change to their company location or domicile.

The Brand company hereby accepts the aforementioned assignments.

15. Place of fulfilment, jurisdiction, applicable law

The place of fulfilment for all claims from contractual relationships between us and the customer is Melle. The jurisdiction is Osnabrück, insofar as the customer is a merchant, a legal entity under public law or a special asset under public law and for disputes in the exchange or cheque transactions. We reserve the right to file suit against the customer in their general court of jurisdiction. This also applies for contracts with international contractual partners.

The substantive law of the Federal Republic of Germany is authoritative for the contractual relationship. The applicability of international laws, e.g. the UN Convention on Contracts for the International Sale of Goods, is excluded. Insofar as we must take legal or enforcement measures internationally, the customer is obligated to assume all judicial and extrajudicial costs, including the costs for legal counsel or such expenses which arise from the commissioning of a collection agency, as our claims are justified.

16. Data protection

All personal data is handled with strict confidentiality. The data required for the business transaction is stored and transferred to affiliated companies, if applicable, in the scope of order processing. The transfer and use of data take place only insofar as necessary for the implementation of the concluded transaction and the care of the resulting customer relationship, legally permissible and desired by the customer. Interests of the customer worth being protected in accordance with statutory provisions are considered in the data processing. The customer has a right to receive information about and a right to reporting, blocking and deletion of their stored data which is no longer necessary as defined above. If statutory or contractual duties of retention or other legal grounds are opposed to deletion, the data is blocked.