



General Conditions of Sale, Delivery and Payment

Walter GmbH

As of 05/2017

§ 1

General Terms - Scope

- (1) Our terms of sale, delivery and payment (hereinafter: conditions of sale) apply exclusively; we do not accept conflicting terms or conditions of the customer that deviate from our conditions of sale, unless we have expressly agreed to their validity in writing. Our conditions of sale shall apply even if we implicitly complete the delivery to the customer with knowledge of conflicting or deviating conditions of the customer.
- (2) All agreements made between us and the customer for the purpose of executing this contract are set out in writing in this contract.
- (3) Our conditions of sale apply only to entrepreneurs within the meaning of § 310 Section 1 of the German Civil Code (BGB).
- (4) Our conditions of sale also apply to all future business with the customer.

§ 2

Offer - Offer Documents

- (1) Our offer is non-binding. If the customer's order can be qualified as an offer in accordance with § 145 of the German Civil Code (BGB), we can accept this within 2 weeks.
- (2) We reserve the property rights and copyrights to illustrations, drawings, calculations and other documents as well as samples. This also applies to written documents that are designated as "confidential." Prior to disclosing these to third parties, the customer must obtain our express written consent.

§3

Prices - Terms of Payment

- (1) Unless otherwise stated in the order confirmation, our prices are quoted "ex works" excluding packaging, which will be invoiced separately. We reserve the right to change our prices appropriately if, after conclusion of the contract, cost reductions or cost increases occur, in particular due to wage settlements or material price fluctuations, which we will disclose to the customer upon request.
- (2) The statutory sales tax is not included in our prices: it will be shown separately in the invoice at the statutory rate as of the invoice date.
- (3) Discount deduction requires a special written agreement.
- (4) Unless otherwise stated in the order confirmation, the purchase price is due net (without deductions) within 30 days of the invoice date. The legal rules regarding the consequences of late payment applies.
- (5) The customer shall only be entitled to offsetting rights if his counterclaims are legally established, undisputed or acknowledged by us. The customer is only entitled to a right of retention under the conditions mentioned.

§4

Delivery Delay or Impossibility

- (1) The beginning of the delivery time specified by us presupposes the clarification of all technical questions.
- (2) Compliance with our delivery obligation further requires the timely and proper fulfillment of the customer's obligation. The right is reserved to object to unfulfilled contracts.
- (3) We are entitled to partial deliveries to the customer within reasonable limits.
- (4) Production-related excess or short deliveries are permitted within a tolerance of 10% of the total order quantity.
- (5) If the customer is in default of acceptance or culpably violates other obligations to cooperate, we shall be entitled to demand compensation for the damage incurred in this respect, including any additional expenses. Further claims are reserved.
- (6) If the conditions of Section (5) exist, the risk of accidental loss or accidental deterioration of the purchased item shall pass to the customer at the time when the latter is in default of acceptance or payment.
- (7) If we fall into arrears or if our obligation to perform according to § 275 Section 1 of the German Civil Code (BGB) is excluded due to impossibility or if we refuse the service according to § 275 Section 2 and 3 of the German Civil Code (BGB), we are liable only in

accordance with § 8 of these conditions of sale. In addition, in cases of ordinary negligence, a lump-sum limitation of liability shall apply at 0.5% per week of delay, but not more than 5% of the value of that part of the delivery that cannot be used or is not contractually agreed as a result of the delay.

(8) The limitations of liability stated in Section (7) do not apply to fixed transactions within the meaning of § 286 Section (2) No. 4 of the German Civil Code (BGB) or § 376 of the German Commercial Code (HGB).

§5

Delivery Obligation - Self-Supply Reservation - Force Majeure

(1) Subject to deviating agreements in individual cases, we shall not enter into a delivery obligation without the customer's binding acceptance obligation. The customer's delivery - even over a longer period of time - does not constitute a delivery obligation for the future without express agreement. In particular, the unchallenged receipt of a delivery preview or comparable documents of the customer does not constitute a corresponding delivery obligation by us.

(2) If, in individual cases, we have assumed an unlimited supply obligation without specifying a total delivery quantity (permanent supply contract), we are entitled to a regular right of termination subject to a three-month period of notice. Conversely, this termination right is also available to the customer upon entering into an indefinite purchase commitment without specifying a total delivery quantity.

(3) Correct and timely self-delivery remains reserved.

(4) In cases of force majeure and other unpredictable and not indebted performance hindrances - including labor disputes, raw material shortage, breakdowns, transport obstacles, official measures – also including those with our subcontractors - we are entitled to postpone the delivery for the duration of the hindrance. We will inform the customer immediately about the unavailability or non-timely availability of the delivery item and, in the case of withdrawal, immediately reimburse the customer.

§6

Transfer of Risk

(1) Unless otherwise stated in the order confirmation, "ex works" delivery is agreed upon.

(2) The risk of accidental loss or accidental deterioration shall pass to the customer upon dispatch, even if we have paid the shipping costs or other additional services or a partial delivery has taken place.

(3) If the customer so wishes, we will cover the delivery via transport insurance; the costs incurred in this respect shall be borne by the customer.

§7 Claims for Defects

(1) Claims for defects on the part of the customer presuppose that he has duly fulfilled his obligations to inspect and provide notification of any defects under § 377 of the German Commercial Code (HGB). The deficiencies identifiable by a reasonable receiving inspection are to be reported to us by the customer within 7 days at the latest after receipt of the goods, irrespective of the statutory inspection and notification obligations. This has to be done in writing.

(2) Insofar as there is a defect in the purchased item, we shall be entitled, at our discretion, to subsequent performance by remedying the defect or delivering a new defect-free item. If the defect is to be remedied, we are obliged to pay all necessary costs for the purpose of remedying the defect, in particular transport, travel, labor and material costs, as far as these do not increase by the fact that the purchase object was moved to a location other than the location of performance.

(3) If supplementary performance fails, the customer is entitled to the other statutory warranty claims. Claims for damages are only granted to the customer in accordance with § 8 of these conditions of sale.

(4) The customer's claims for defects expire in accordance with § 9 Section (1) of these conditions of sale.

§8 Liability

(1) We are liable for damages only in accordance with the following provisions:

(2) We shall be liable in accordance with the statutory provisions if the customer asserts claims for damages based on intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents. Unless we are charged with intentional or grossly negligent breach of contract, the liability for damages is limited to the predictable, typically occurring damage.

(3) We are liable according to the legal provisions, if we culpably violate a material contractual obligation; In this case, however, the liability for damages is limited to the predictable, typically occurring damage.

(4) Insofar as the customer is entitled to compensation for the damage instead of the service, our liability is also limited within the scope of Section (3) to compensation for foreseeable, typically occurring damage.

(5) Liability for culpable injury to life, limb or health remains unaffected; this also applies to the mandatory liability under the Product Liability Act and liability under a guarantee.

(6) The above limitation of liability shall also apply if the customer, instead of claiming compensation for the damage, demands replacement of useless expenses instead of performance.

(7) Insofar as the liability for damages against us is excluded or limited, this also applies with regard to the personal liability for damages of our members of staff, workers, employees, representatives and vicarious agents.

§9

Statute of Limitation

(1) The limitation period for claims for defects is 12 months from the beginning of the statutory limitation period.

(2) For the limitation of other claims of the customer, which are not subject to the limitation period for claims for defects, there is an exclusion period of 18 months. It begins with knowledge of the damage and of the person causing the damage.

(3) The statutory limitation periods remain unaffected by the above provisions in the following cases:

- in the event of a delivery recourse according to §§ 478,479 of the German Civil Code (BGB);
- for the purposes specified in §§ 438 Section 1 No. 2; 634a Section 1 No. 2 of the German Civil Code (BGB) defects in buildings/building materials;
- for damages resulting from injury to life, limb or health;
- for cases of intent or malice or gross negligence on our part, our legal representatives or vicarious agents;
- for the customer's right to terminate the contract in the event of a breach of duty for which we are responsible and which is not due to a defect in the object of sale or the work;
- for claims under a warranty.

§10

Retention of Title

(1) We reserve the right of ownership of the purchased item until all payments from the business relationship with the customer have been received. In the case of a breach of contract by the customer, in particular in the case of default, we are entitled to revoke the purchased item. The revocation of the purchased item by us is deemed to be a withdrawal from the contract. After the goods have been returned, we are entitled to recover them; the proceeds from the sale of the goods shall be credited against the customer's debts, minus reasonable liquidation costs.

(2) The customer is obliged to handle the purchased goods with care; he is particularly obliged to adequately insure these at his own expense against fire, water and theft damage at replacement value. If maintenance and inspection work is required, the customer must carry this out in a timely manner at his own expense.

(3) In the case of seizures or other interventions by third parties, the customer must notify us immediately in writing so that we can file an action in accordance with § 771 of the German Code of Civil Procedure (ZPO). Insofar as the third party is not in a position to reimburse us for the court and out-of-court costs of a claim in accordance with § 771 of the German Code of Civil Procedure (ZPO), the customer is liable for the loss incurred by us.

(4) The customer is entitled to resell the purchased item in the ordinary course of business; however, he hereby assigns to us all claims that accrue to him from the resale against his customers or third parties, irrespective of whether the purchased goods were resold without or after processing. To collect this claim, the customer remains authorized even after the assignment. Our authority to collect the claim itself remains unaffected. However, we undertake not to collect the claim as long as the customer meets his payment obligations from the proceeds received, does not default on payment and, in particular, has not filed an application for settlement or insolvency proceedings or has suspended payments. However, if this is the case, we can demand that the customer notify us of the assigned claims and their debtors, provide all information necessary for collection, hand over the associated documents and notify the debtors (third parties) of the assignment.

(5) The processing or transformation of the purchased item by the customer is always carried out for us. If the purchased item is processed with other objects not belonging to us, we acquire the sole ownership of the new item. Incidentally, the same applies to the object resulting from processing as to the purchased object delivered under reservation.

(6) Urgent partial waiver: If a claim has been assigned to us pursuant to Section (4) which may be claimed by a third party supplier of the purchaser due to an extended retention of title, the assignment to us shall initially be restricted to the part of the claim that goes beyond the part to which the third party is entitled to the ratio of the value of its delivery to the other processed goods at the time of processing. The remaining portion of the claim will only pass to us if it is no longer recorded by the extended retention of title of the third-party supplier. In the same way, the acquisition of ownership by us in processing under Section 5 is limited to the corresponding co-ownership share, if a third party supplier can claim a co-ownership share in the new object due to an extended retention of title.

(7) If the purchased item is inseparably mixed with other items not belonging to us, we acquire co-ownership of the new item in proportion of the value of the purchased item (final invoice amount, including sales tax/VAT) to the other mixed items at the time of mixing. If the mixing takes place in such a way that the customer's item is to be regarded as the main item, it shall be deemed to be agreed that the customer assigns proportional

co-ownership to us. The customer keeps the resulting sole ownership or co-ownership for us.

(8) The customer also assigns to us the claims to secure our claims against him, which accrue by the connection of the purchased object with a property against a third party.

(9) We undertake to release the securities to which we are entitled at the request of the customer to the extent that the realizable value of our securities exceeds the claims to be secured by more than 10%; the selection of the securities to be released is our responsibility.

§11

Place of Jurisdiction – Place of Performance

(1) If the customer is a merchant, our registered office in 57462 Olpe is the place of jurisdiction; however, we are entitled to file a suit against the customer at his place of residence.

(2) The law of the Federal Republic of Germany shall apply.

(3) Unless otherwise stated in the order confirmation, our place of business in Olpe is the place of performance.

§12

Final Provisions

(1) Should any of the above conditions be or become ineffective, this shall not affect the validity of the remaining provisions. In place of the ineffective provisions, such provisions that come closest to the economic purpose of the contract, while safeguarding the interests of both parties, shall come into effect.

(2) All of our previous terms and conditions of sale and delivery are hereby canceled.

Note in accordance with § 33 of the German Federal Data Protection Act (BDSG): Customer data shall be processed electronically.