

## General Terms and Conditions of the Wolf GmbH (as of 07/2015)

### I. General

Our deliveries, performances and offers shall exclusively be made on the basis of these General Terms and Conditions. Thus, they shall also apply to all future business relations even if they were not expressly agreed again. These Terms and Conditions shall be considered as accepted on taking delivery of the goods or performance at the latest.

General Conditions of Purchase of the buyer are not accepted.

In accordance with the provisions of the German Federal Data Protection Act we point to our buyers that we process personal data required for the settlement of business relations by means of EDP and transmit these data only in-house.

### II. Offers

Our offers are non-binding and without obligation. Contracts for delivery and all other agreements (including subsidiary agreements) as well as declarations of our representatives shall only become legally binding for us after our written confirmation. We do not render planning services. Proposals made and information provided by our representatives shall be non-binding. Illustrations, drawings, dimensions and weights or other performance data shall only be binding if this is expressly agreed in writing.

Business mail printed by data processing systems (e.g. order confirmations, invoices, credit notes and reminders) shall also be legally binding without signature.

### III. Prices

- (1) Our prices are net ex works or ex stock plus packaging, freight and VAT. With regard to orders without agreed prices, our prices shall apply which are valid according to the price list on the day of delivery.
- (2) We reserve the right to make a corresponding price adjustment in the event of changes of material usage prices and personnel costs until the day of delivery. However, this shall only apply to periods of delivery of more than 4 months and for price adjustments up to 10%. A new price agreement shall be required for higher rates. If such an agreement is not made, we shall be entitled to withdraw from the contract by written notice within 14 days.

### IV. Terms of payment

- (1) If the payment conditions have not been agreed upon conclusion of the contract, the payment terms and payment dates specified in our invoices shall be binding. Deadlines for discounts and periods allowed for payment shall begin to run upon receipt of the invoice.
- (2) The buyer may only offset his claims which are not contested or became res judicata.
- (3) We are not obliged to accept bills and cheques. Credit notes for bills and cheques are made with value of the date when we can dispose of the countervalue.
- (4) We charge default interest in the legal amount in the event of default in payment. Assertion of other damages shall not be excluded. All claims will be due immediately in the event of non-compliance with terms of payment, dishonouring of bills and cheques, cessation of payment or upon circumstances which reduce buyer's credit worthiness or ability to pay. Furthermore, we shall be entitled to execute outstanding deliveries only against advance payment or withdraw from the contract after setting of a reasonable grace period and claim damages instead of performance.
- (5) Otherwise, the following provisions of item IX shall apply with regard to the claims for damages of the buyer.

### V. Reservation of ownership

- (1) Our deliveries are exclusively made with reservation of ownership (conditional commodity). Ownership passes to the buyer not before he redeemed his total liabilities including any balance claims from our goods delivered. The same shall apply if payments are made for specially described claims.
- (2) Processing or transformation is always made for us as producer, however, without any obligation for us. If goods delivered by us are mixed or linked with other objects, the buyer shall assign the (joint) ownership to us of the corporeal thing created hereby, namely in proportion of the invoice value of our conditional commodity to the invoice value of the other goods used.
- (3) The buyer may only sell or use our conditional commodity in the ordinary course of business. Pledging and assignment as security shall be inadmissible. By way of security and to the full extent, the buyer assigns the claims (including any balance claims) to us already now, which arise from resale or any other legal ground (further use, tortious act) with regard to the conditional commodity.
- (4) The buyer shall be entitled to collection of the claims assigned to us. We may revoke the collection authorization in the event of default, cessation of payment, application to commence insolvency or composition proceedings or any other deterioration of the buyer's assets. The buyer shall notify us immediately about attachments, seizures or any other orders or interferences by third parties.

- (5) If the buyer defaults, we shall be entitled to demand return of the conditional commodity and get the actual possession of this conditional commodity by own action or authorized representatives, no matter where it is located. The buyer shall be obliged to return the conditional commodity to us. Furthermore, he shall be obliged to supply the information required and deliver documents for the enforcement of our rights.
- (6) If the realizable value of the securities due to us in accordance with foregoing provisions exceeds the value of our claims by more than 10 %, we shall be obliged to release exceeding securities at our option upon buyer's request.

#### VI. Periods of delivery/default

- (1) Delivery time information is only approximate. We shall only be in default if the performance is due and a written demand for payment was issued. Delivery day is the day of dispatch ex works and ex stock respectively.
- (2) We shall also not be liable with regard to bindingly agreed periods and dates in the event of delays in delivery and of performance due to force majeure and events which considerably complicate or make delivery impossible not only temporarily - strike, lockout, breakdown, delay in supply with important raw and auxiliary materials even if the delay occurs at our supplier, in particular. These delays entitle us to postpone delivery for the period of the impediment plus a reasonable start-up period or to withdraw from the contract as a whole or in part.  
If delivery time is extended or we are released from our delivery commitment, the buyer may not derive a claim for damages from it. However, we may only rely on the circumstances mentioned if we notify the buyer immediately.
- (3) We shall be entitled to make part deliveries. Any part delivery shall be considered as independent transaction.
- (4) In case of default, our liability is limited to contract-typical foreseeable damage.

#### VII. Shipment

- (1) Shipment is made for the buyer's account.
- (2) Mode of shipment and shipping route, transport and packaging and other securities respectively shall be at our choice. We shall be entitled, however, not obliged to insure deliveries in the name and for account of the buyer.
- (3) Risk passes to the buyer when shipment is handed over to the person performing the transport or left our works and stock respectively for shipment. If shipment is delayed upon buyer's request, risk passes to the buyer with the ready for shipment note.
- (4) If ordered goods are rejected after the ready for shipment note, we shall be entitled to request payment and store the goods at buyer's expense.
- (5) Discharge of the goods is made at buyer's expense.

#### VIII. Defects as to quality

- (1) Goods are delivered free of production defects or defects in material. Claims based on defects shall not exist in the event of an only irrelevant deviation from the quality agreed or irrelevant impairment of usefulness.
- (2) Guarantees for the quality and shelf life of the delivery item shall only be considered as furnished, if we declared the guarantee as such expressly and in writing.
- (3) Notice of defect shall be made immediately - and in writing - and is excluded if we do not receive it within 2 weeks after receipt of the delivery. We shall be notified immediately about defects which could not be detected within this period (even with careful inspection), however, 2 weeks after detection at the latest.
- (4) If there is a defect in the goods delivered and the cause already existed at the time of the passage of risk, we will at our option rectify the defect free of charge within a reasonable period or remedy the defect by delivery of an item free of defects (subsequent performance). If the buyer rejects this or changes or repairs of the corresponding goods are made, we shall be exempted from the liability for defects.
- (5) If rectification of defects fails or if it is not made within a reasonable grace period set by the buyer, the buyer may reduce the purchase price or withdraw from the contract.
- (6)
  - a) The buyer shall be responsible for the proper water quality. In this respect the corresponding requirements and guidelines for boiler and feed water have to be observed. In the case of stainless steel storage tanks the water used has to fulfil the values prescribed in the drinking water ordinance.
  - b) The buyer must, as far as this is possible and reasonable for him, prove that defects as to quality are caused by faults in material or faulty manufacture of the goods and not by defective mounting. The costs for determining the cause of the defect and other expenses arising within the scope of this obligation shall not be the subject of the warranty.
- (7) (1) Damages occurred due to wrong or faulty installation, putting into operation, treatment, operation, maintenance or use of fuels, control devices, types of furnaces and currents or voltages not prescribed or due to choice of incorrect burners or burner settings also do not constitute a claim based on defects.  
This shall also apply with regard to overload and corrosion damage.

- (2) Liability for usual wear and tear shall be excluded.
- (3) Only the direct buyer shall be entitled to assert claims due to defects and such claims cannot be assigned.
- (8) Claims of the buyer for expenses required for the purpose of subsequent performance or reversal of transaction after withdrawal from the contract - transport costs, road costs, labour cost and materials cost, in particular - shall be excluded, if expenses increase because the delivery item was installed at a location difficult to access. The same shall apply if the delivery item was installed outside of the territory of the Federal Republic of Germany.
- (9) Recourse claims of the buyer against us, in accordance with section 478 BGB - German Civil Code, (contractor's recourse) shall only exist to the extent that the buyer did not make an agreement with his customer which goes beyond the legal claims based on defects.
- (10) The claims based on defects as to quality shall become time-barred as follows::
- a) 6 years
    - conventional floor-standing heaters (except for large boiler GKS)
  - b) 5 years
    - condensing floor-standing heater
    - Water heater and floor-standing tank
    - Solar collectors
    - Large boiler GKS with respect to tightness of the boiler body
  - c) 2 years
    - Ventilation and air-handling devices
    - Hot air generator
    - Domestic ventilation system
    - Conventional gas-fired boilers and gas condensing boilers
    - Biomass boilers
    - Gas central heating condensing boilers
    - Solar power systems
    - Heat pumps
    - all other products
    - all other electrical and moving parts, such as controllers, valves, burners
  - d) 1 year
    - spare parts

These periods shall only apply if no longer periods are mandatorily prescribed by law.  
These periods start to run at the day of delivery.

The statutory limitation periods shall apply in the event of injury to life, body or health and wilful acting or grossly negligent breach of our duties as well as fraudulent concealment of a defect or giving of a guarantee as to quality.

(11) We state that according to the conditions above there is no intention to change any legal or caselaw distribution of burden of proof.

#### IX. Liability

- (1) We shall only be liable with regard to damages and compensation for futile expenses (section 284 BGB - German Civil Code) due to violations of contractual or non-contractual obligations, as well as violations based on tortious liability
- in the event of intentional or grossly negligent acting
  - in the event of intentional or grossly negligent injury to life, body or health
  - due to fraudulent concealment of defects or giving of a guarantee as to quality
  - in the case of liability due to an absolute offence (especially according to the product liability act).
- (2) We shall be liable for any negligence in the event of violation of essential contractual obligations, however, only to the extent of the foreseeable contract-typical damage.
- (3) As far as our liability is excluded or limited, this shall also apply to employees, representatives and vicarious agents.
- (4) Cardinal duties are essential contractual obligations, i.e. such duties which imply the character of a contract and on which the other party may trust; such as fundamental rights and obligations that form the prerequisites for a performance of the contract and that are indispensable for achieving the purpose of the contract.
- (5) We state that according to the conditions above there is no intention to change any legal or caselaw distribution of burden of proof.

#### X. Return/exchange

- | (1) If the buyer withdraws unjustified from an order given, we may demand 25% of the selling price for costs incurred for order processing and lost profit, without prejudice to the option of asserting higher actual damage. The buyer shall be entitled to prove that no or a slight damage occurred.
- (2) Return shipments will only be accepted after our express prior written consent.
- (3) A credit note will only be granted in the amount of the present value with a deduction of 25% take-back and inspection costs.

#### XI. Place of performance/jurisdiction

- (1) Mainburg is the place of performance. Jurisdiction regarding commercial course of business shall be the court competent for our place of business.
- (2) German substantive law shall be applicable for all legal relations in connection with this contract to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

#### XII. Severability

Should a provision of these conditions of sale and delivery or a provision within the scope of any other agreement be invalid or become invalid, this shall not affect the validity of the remaining provisions.