TERMS OF PURCHASING AND ORDERING OF VIEGA GROUP

The following Terms of Purchasing and Ordering are applicable for the following German legal entities of Viega:

- Viega Holding GmbH & Co. KG
- Viega Supply Chain GmbH & Co. KG
- Viega Technology GmbH & Co. KG
- Viega Deutschland GmbH & Co. KG
- Viega CE GmbH & Co. KG
- Viega EMEAPA GmbH & Co. KG
- Viega Asset GmbH & Co. KG

as well as for framework contracts concluded in the name of several of the above legal entities.

I. Relevant terms, order, quotation

1. Orders shall be placed by us solely on the terms detailed in the following. Any diverging terms of delivery shall not be legally valid even if it is not expressly objected to by us. With the acceptance of the order and/or the execution of the delivery, Supplier recognizes our terms.
2. Delivery contracts (orders, acceptance, and call-offs) as well as their modifications, amendments, or other ancillary agreements must be negotiated in writing.
3. Orders placed by us shall be confirmed in writing within 8 days. At any rate, Supplier shall inform us immediately should it be unwilling to accept the order at the specified terms. We have the right to cancel the order if it is not confirmed in time, or not at all. Supplier shall carry out our order exactly as we placed it. Any deviations shall be expressly pointed out.
4. Quotations by Supplier are free of charge and shall not create an obligation for us.
5. We have the right to request changes to the design and execution of the delivery item to an extent which Supplier can be reasonably expected to implement. A reasonable compensation shall be negotiated to reflect such changes, in particular regarding any surcharge or price reduction and the delivery dates.
6. Unless expressly approved by us in writing, Supplier shall not pass on our orders or commissions to third parties. In case of violation, we have the right to withdraw from the contract in whole or in part, and to claim damages.

II. Delivery, packaging, place of delivery, passing of risks

1. A valid delivery note must be issued for every delivery specifying the order/call-off number, the delivery plan number mentioning the items, date of order placement/call-off, material number and designation, quantity, weight (gross/tare), Supplier number, and Supplier's address.
2. Unless agreed otherwise in writing, delivery shall be made at Supplier's risk and expense, freight prepaid to our works or to the destination specified by us, including packaging, insurance and customs (DDP Incoterms 2020). The risk of accidental perishing or deterioration of the goods shall pass to us only after the goods have been delivered to our receiving department or the agreed site of receipt.
3. For deliveries to our works premises, the house rules and safety regulations for third-party companies must be observed. They will be made available to Supplier on request.
4. Generally, only reusable and possibly recyclable packaging must be used.
5. If delivery dates are exceeded, we have the right to select the mode of shipment we deem suitable; any freight surcharges shall be paid by Supplier.

III. Delivery dates, delay, force majeure

1. Agreed dates and deadlines are binding. Mutually agreed changes are permissible, subject to reasonable consideration of our business requirements. Compliance with the delivery date is determined by the date of our receipt of the delivery. If agreed other than delivery freight prepaid to our works, Supplier shall announce the availability of the goods via fax not later than two days before expiry of the delivery period, and shall have the goods ready punctually, considering the time usually required for loading and shipping.
2. If Supplier falls behind, it shall compensate us for the damage resulting from the delay. If, within a reasonable period set by us after the due date, delivery is effected not at all or not as owed, we have the right to withdraw from the contract and/or claim damages for non-compliance. We can waive setting a deadline, i.e. we have the right to withdraw from the contract without a deadline if Supplier fails to deliver the performance by the date specified in the contract and if we contractually bound the continuation of our interest in the performance to the timeliness of the performance, or if special circumstances prevail which, under consideration of both parties' interests, justify immediate withdrawal. We can claim damages also without a deadline being set if Supplier expressly and finally refuses to deliver the performance, or if special circumstances prevail which, under consideration of both parties' interests, justify immediate assertion of the claim for damages.
3. Events of force majeure, industrial disputes, and other unforeseeable and unavoidable events relieve the parties of their obligations for the duration of the disruption and to the extent of its effect. As far as they can reasonably be expected to do, the parties are obliged to immediately provide the requested information and adjust their obligations to the changed situation. If punctual delivery is indispensable for us, we have the right to withdraw from the contract in whole or in part and to demand refund of any advance payment made by us. Delay in sub-suppliers' deliveries is not considered force majeure or an unforeseeable and unavoidable event.

IV. Invoices, payments, non-assignment clause

1. Invoices shall be sent as a single copy to our headquarters. They shall comprise the supplier number, delivery plan number with item details, number and date of order placement or purchase or call-off, additional data of the ordering party (cost centre), unloading site, number and date of delivery note, and quantity of the goods invoiced. Each invoice must refer to one delivery note only.
2. Unless agreed otherwise in writing, invoices shall be payable and due within 30 days after receipt of goods and of a proper invoice. When settling the invoice within 14 days, we have the right to 3% discount. Deviating individual agreements take priority.
3. In case of acceptance of early deliveries, the due date is defined by the agreed delivery date.
4. Payments will be made, by our choice, by bank transfer or cheque or other means of payment.
5. Except in cases of extended reservation of title, Supplier has no right to assign claims against us to third parties or have

third parties collect such claims, unless previously approved by us in writing. If assignment still takes place, we have the right to render our performance with discharging effect to the previous obligee pursuant to § 354a HGB (German Commercial Code).

V. Quality assurance, documentation, outgoing and incoming goods inspection, modification in manufacturing or material

1. The quality assurance agreement concluded with Supplier takes priority. Otherwise, our Viega quality requirement (PPF method) must be observed. They are to be found at .
2. Supplier is obliged to inspect its goods with state-of-the-art methods for uniform quality and safety. Supplier shall carry out and document outgoing goods inspection processes.
3. We are not obliged to carry out detailed incoming goods inspections. Incoming goods are inspected for identity and apparent faults only. The data regarding number of pieces, dimensions, and weights determined by us at the incoming goods inspection are decisive.
4. In respect of its deliveries, Supplier shall comply with the generally accepted engineering standards, the safety regulations, and the agreed technical data and standards. Independent of the above, Supplier shall constantly check the quality of the delivery item. Supplier and us shall inform each other of possibilities to improve the quality.
5. If no fixed agreement has been concluded between Supplier and us regarding type and scope of the inspections and the testing equipment and methods, we are willing, at Supplier's request and in the frame of our knowledge, experience and possibilities, to discuss the required inspections with Supplier.
6. Supplier shall keep separate records to show when, how, and by whom the delivery items have been inspected in respect of the characteristics requiring documentation, as well as the results of the required quality tests. The inspection reports must be kept for 10 years and submitted to us on request. As far as permitted by law, Supplier shall obligate any upstream suppliers to the same extent.
7. As far as institutions, associations etc. demand insight in our production processes and our inspection reports to check compliance with certain requirements, Supplier shall grant them the same rights in its own premises and provide reasonable support. Following previous coordination, Supplier shall allow us to conduct audits in its premises.
8. In case of production conversion or relocation and of modification of the manufacturing process, material, or sources, Supplier shall inform us immediately in writing or electronically, and shall observe our quality requirements pursuant to the production & product approval process (PPF).

VI. REACH regulation, social responsibility

1. Supplier shall comply with and observe the REACH regulation (Registration, Evaluation and Authorization of Chemicals). Supplier agrees to make all necessary information regarding the contract items available to us in due time.
2. Supplier shall use only those products, packaging and/or processes that comply with the applicable environmental protection regulations in terms of manufacture, operation, and disposal. Supplier agrees to provide a safe and healthy working environment for its employees in compliance with the statutory regulations. Supplier ensures that neither itself nor any affiliated company of Supplier uses business practices which violate the regulations of the Commission on the Rights of the Child.

VII. Notice of defects, liability for quality defects and defects of title and other violations, liability periods, insurance protection

1. Notice of defects is considered timely given if we announce apparent (open) defects to Supplier immediately — within three working days — after receipt of goods. We can announce non-apparent or hidden defects at a later date, i.e. immediately — within three working days — after detection of such defects.
2. Supplier shall assign to us the ownership in the goods which are free of quality defects and defects of title.
3. A quality defect exists in particular if the goods, at passing of risk, lack the agreed property and/or are unsuitable for the use specified in the contract, and/or for the duration of the usual lifetime fail to retain the property or suitability.
4. In case of quality defects and defects in title or other violations, our claims and rights are in compliance with the German BGB (Civil Code). In addition to the statutory rights, the following is agreed: If Supplier fails to meet its duty of supplementary performance within a reasonable period set by us, we have the right, at Supplier's expense, to carry out supplementary performance ourselves or have it carried out by a third party. This also applies to any sorting costs incurred. No deadline must be set if Supplier's supplementary performance failed or we or our principals cannot be reasonable expected to accept it. Should necessary rework involve work on the site or in the premises to which the goods have been brought in compliance with their intended use, Supplier shall do or have done such work there at its own expense.
5. If defects in the goods are detected at the start of production (machining or installation), we shall give Supplier the opportunity to sort defective parts out or to rework (rectification or additional delivery) as far as can reasonably be expected on our side in respect of the urgency required. If defects are detected only after start of production, the above applies with the stipulation that we can furthermore claim damages for provable additional expenses.
6. Subject to any longer statutory or individually agreed period and subject to the regulations in sections 7. and 8. below, our claims arising out of quality defects, defects in title and other violations by Supplier shall become statute-barred at the earliest five years after delivery of the ordered goods/performance at our premises. The period of limitation is extended by the periods of time during which limitation is suspended.
7. If claims are asserted against us for defects in an item or other violations attributable to Supplier, Supplier shall hold us free and harmless of all claims by our contractual partners and third parties; regarding claims for damages, however, this shall only apply if Supplier fails to prove that it is not responsible for such defect or violation. Our claims for damages and indemnification of all damage and expenses shall continue beyond the periods of liability and limitation defined in section 6, but not for longer than 10 years from the start of statutory limitation, as far as we are responsible for goods purchased from Supplier and resulting damage and expenses for reasons within Supplier's control. Claims arising out of Supplier's violation notified by us within the period of liability/limitation shall become statute-barred at the earliest three month following the notice of defects.
8. Any claims and longer periods of limitation based on the laws on product liability, tort, fraudulent behaviour, or warranty remain unaffected.
9. Supplier shall retain all construction and production documentation relating to the delivered goods for a period of 11 years, and make it available to us in case of claims asserted against us.
10. Supplier agrees to take out public and product liability insurance with an insured sum of 5 million EUR per claim for body injury and property damage. At our request, Supplier shall submit proof of such insurance protection. This shall not limit Supplier's liability.

11. Beyond this and independent of any further statutory and/or contractual liability, Supplier shall commit to the following "Assumption of Liability" which we agreed with the Zentralverband Sanitär, Heizung, Klima (central association for the sanitary and HVAC industry):
(1) If the client of the installer/craftsman incurs damage from the use of products supplied by Supplier for the Viega installation systems due to the following defects attributable to Supplier's range of responsibility:

a) construction defects,
b) fabrication defects,
c) material defects,
d) defects in instructions, e.g. faulty laying, installation, operating instructions etc.,
e) deviations from the legal requirements and generally accepted rules of technology applicable at the time of manufacture (e.g. EN/DIN standards, DVGW rules etc.), construction and testing principles, official test certificates, approval certificates etc.,
f) failure to comply with the product monitoring obligation,
g) lack of properties which Viega, by way of exception and known by Supplier, warranted in general or vis-à-vis the ZVSHK

and if the client of the installer/craftsman legitimately makes a claim on installer/craftsman for reduction, rework, or damages, Supplier shall assume the obligations named below:

- In case of reduction, refund of the deduction legitimately made from the invoiced amount by the client of the installer/craftsman, up to a maximum amount per damage event of EUR 250,000.--;
- In case of rework, free replacement delivery, freight prepaid to site of use, of the parts required for rectification of the defect, and assumption of the necessary costs for removal and installation including the costs for restoration to the original state,
- In case of damages, assumption of other direct consequential damage up to a maximum of 1.3 million EUR per damage event, unless Supplier proves in case of strict liability that it is not responsible for the defect.

This shall not affect claims arising out of warranty, tort, fraudulent concealment, and pursuant to the Product Liability Act.
(2) After detection of the damage, Viega and Supplier reserve the right to rectify the damage incurred themselves or have it rectified at their expense by companies commissioned by them. They shall immediately inform the installer/craftsman that they intend to exert such right.
(3) The assumption of liability shall not apply as far as the installer/craftsman assumes obligations under a service contract which go beyond the statutory regulations or the specification in part B of the VOB (Construction Tendering and Contract Regulations). However, the installer/craftsman has the right to agree with the client on a warranty period pursant to service contract law. The period for which warranty is assumed starts with acceptance of the contract services provided; it ends not later than a full 10 years after delivery of the product.
(4) The liability assumption agreement is also valid for the period from the start of installation to acceptance.

VIII. Confidentiality, drawings, moulds, models, tools

1. The parties agree to keep confidential all not publicly known commercial and technical details of the other party's of which they become aware in the course of the business relation. They shall bind their employees and subsuppliers to a corresponding obligation.
2. Drawings, moulds, models, templates, tools, samples and other items made available by us to Supplier shall be treated confidentially and must only be used for executing our order; they must not be copied or made available to third parties. Such items remain our property and must be marked as such by application of our company logo. The products manufactured by means of such items shall not be handed over to third parties neither as blanks nor as semifinished or finished products. The same applies for parts developed by Supplier pursuant to our instructions.
3. Any moulds, models, tools, machines, drawings, lithographs, data records and other data generated by Supplier in the context of our order shall be subject to the same confidentiality obligation. It is agreed that ownership in such items shall pass to us as soon as we paid the agreed remuneration. In case of downpayments, we acquire co-ownership in the ratio of the downpayment to the agreed remuneration. Supplier shall keep these objects for us free of charge. In case of pending third-party interventions or of filing for commencement of insolvency proceedings against Supplier's assets, we have the right to seize such items. After termination of the business relation, we can demand handover of the items, possibly against payment of the residual remuneration.
4. Without our previous consent in writing, it is not permissible to refer to the business relation with us in any information and PR material.
5. Should we be obligated to Supplier to keep certain information and documents secret and confidential, such confidentiality obligation shall not apply vis-à-vis companies affiliated to us. Accordingly, we are in particular not obliged to inform Supplier before forwarding information to an affiliated company.

IX. Property rights

1. Supplier shall be liable for claims arising out of the violation of property rights or property right applications occurring in the course of the contractual use of the delivery items. It shall hold us and our buyers free and harmless from any claims arising out of the use of such property rights. Only if Supplier proves that it is not responsible for the violation shall claims for damages not be applicable.
2. The above does not apply insofar as Supplier manufactured the delivery items pursuant to drawings, models, or descriptions and specifications provided by us and was not aware that this manufacture resulted in a violation of property rights.

X. Retention of title

Supplier retains the title in the delivery items until all its claims from the business relation with us have been settled. In the case of a current account, the retained title shall constitute security for the balance claim.
We have the right to process and resell the delivery items in the ordinary course of business. The use of the goods subject to retention of title in fulfilling service contracts or contracts for work and labor is also considered as resale. We shall not pledge the goods subject to retention of title or transfer them as a security.
When processing, combining and blending goods subject to retention of title with other items, Supplier has co-ownership in the new item on a pro-rata basis of the invoice value of the retention of title goods to the invoice value of the other processed goods. We hereby assign to Supplier, conditionally as of the time of any such event of default, all claims from the resale on a pro-rata basis, also insofar as the goods have been processed, combined or blended, and Supplier has acquired co-ownership. If the goods subject to retention of title are resold together with other goods, we herewith assign to Supplier the claims from the resale in the ratio of the invoice value for the retention of title goods to the invoice value of the other goods. Until the time of the event of default, we remain the owner of the claim and are solely entitled to collect. The event of default occurs if we fail to settle justified payment

obligations despite of reminders, or in case of filing for commencement of insolvency proceedings against our assets.

XI. Setoff by Viega / Group setoff clause

1. We have the right to set off all our own claims and the claims of our affiliated companies against Supplier's claims and claims of companies affiliated with Supplier.
2. Our affiliated companies are

- Viega Holding GmbH & Co. KG
- Viega Supply Chain GmbH & Co. KG
- Viega Technology GmbH & Co. KG
- Viega Deutschland GmbH & Co. KG
- Viega CE GmbH & Co. KG
- Viega EMEAPA GmbH & Co. KG
- Viega Asset GmbH & Co. KG

XII. Place of performance, venue, applicable law

1. Place of performance is the agreed place of delivery; if not specifically agreed, the headquarters of our firm.
2. For contracts with merchants, bodies corporate organized under public law or special fund under public law, venue is the court which has jurisdiction for our headquarters. However, we reserve the right to bring suit against Supplier at the courts having jurisdiction at Supplier's headquarters.
3. In case of transactions with companies within the EU, German law under exclusion of the United Nations Convention on Contracts for the International Sales of Goods shall apply to all orders; in case of international transactions with companies outside of the EU, the United Nations Convention on Contracts for the International Sales of Goods shall apply, or German law if the UN Convention does not comprise any applicable regulations.

XIII. Final regulations

1. The contractual language is German and/or English. The German text takes priority.
2. If clauses of these regulations and/or the other agreements concluded are ineffective or incomplete, the validity of the remaining contract shall not be affected. The contractual partners shall replace or supplement the invalid/incomplete clauses by new clauses which are equivalent in terms of the pursued economic success.

January 2020 – Viega Group

Viega. Connected in quality.