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**1. General**

- 1.1 Our tenders, deliveries and other services shall be exclusively governed by these General Terms and Conditions of Sale and Delivery. Conflicting terms and conditions of business or purchase of the Customer are hereby explicitly objected to. Deviations from these Terms and Conditions of Sale and Delivery shall only be effective if acknowledged by us in writing within the meaning of clause 1.7.
- 1.2 Our offers and any drawings, illustrations, product descriptions or any other performance data contained therein are non-binding. Purchase orders shall only become binding upon our acknowledgement of the order. Acknowledgement of the order shall be replaced by an invoice if delivery is made immediately.
- 1.3 We reserve ownership rights and copyrights in cost estimates, drawings and similar information (hereinafter: "documents") of a physical or non-physical nature, also in electronic form. Documents may only be made accessible to third parties with our prior written consent within the meaning of clause 1.7.
- 1.4 Partial delivery shall be permissible, if and to the extent it reasonably acceptable for the Customer. Delivery shall be made in full trailers only.
- 1.5 In respect of standard software, the Customer is granted a non-exclusive right to use standard software with the agreed performance features in unaltered form on agreed equipment. The Customer may make not more than one backup copy without explicit agreement.
- 1.6 The terms "damage" and "claim for damages" used in these General Terms and Conditions of Sale and Delivery also includes "indemnification for useless expenditure" and "claims for indemnification for useless expenditure".
- 1.7 Legally relevant declarations and notifications by the Customer with regard to the contract (e.g. setting a deadline, notification of defects, withdrawal or reduction of price) must be made in writing, i.e. in written or text form (e.g. letter, e-mail, fax). Stricter legal requirements remain unaffected.

**2. Prices**

- 2.1 Unless otherwise expressly agreed, prices are quoted in Euro. Delivery shall be made in accordance with the guidelines of Incoterms® 2020, plus the costs of any delivery permits to be obtained from government agencies on our part and the applicable statutory value-added tax.
- 2.2 A subsequent agreement on a currency other than the originally agreed currency requires written form. The invoiced amount shall remain decisive for payment, if the Euro and/or the currency of the Customer's country and/or the invoiced currency is revalued upwards or downwards between the time of acknowledgement of the order and the time of receipt of payment in Remscheid, Germany.
- 2.3 Where prices are not quoted or are only quoted subject to the "current list price", the price lists valid on the day of delivery shall apply.

**3. Payment Terms**

- 3.1 Unless otherwise agreed upon, payment shall be made either by payment in advance (i.e. prior to delivery and in full) or by irrevocable and confirmed letter of credit.
- 3.2 The Customer shall only be released from its obligation to pay when we have received full payment. Notwithstanding the means of payment used, payment shall only be deemed made when the full invoiced amount has been irrevocably credited to our bank account. Where the Customer wishes to pay by irrevocable and confirmed letter of credit, we shall provide the Customer with a draft letter of credit which shall serve as a model for the application to be filed with the Customer's bank (bank ordering payment) and shall thereupon form an appendix to the contract.
- 3.3 In the event the Customer wants to make a payment through a third party, the Customer shall declare not less than 14 (fourteen) days

in advance (i) the full name, registered office, register number and legal form of the third party as well as the names of its legal representatives, (ii) the relationship between the Customer and the third party as well as (iii) the legal basis and the reasons why the payment shall be made by the third party. In case of repeated payments by such third party within one year no separate information is required provided that the contents of the initial information have not changed. We reserve in any case the right not to accept an individual third-party payment.

- 3.4 In the event that the Customer defaults on payment, we shall be entitled to statutory rights. In particular, we shall be entitled to claim interest on arrears at the rate provided by law.
- 3.5 If after the conclusion of the contract we become aware of facts that indicate a fundamental deterioration in the Customer's financial position and are likely to jeopardize our claim for payment according to dutiful commercial discretion, we may demand the provision of suitable security within a reasonable period, or advance payment. If the Customer does not comply with such a demand or does not do so in due time, we shall be entitled to cancel the contract and claim compensatory damages.
- 3.6 If the Customer is in arrears with an instalment, we may declare the entire residual receivable immediately due. In the event of default in payment due to a fundamental deterioration in the Customer's financial position, we may furthermore cancel the contract and claim compensatory damages.
- 3.7 The Customer may only set off with undisputed receivables or with receivables confirmed by a final and non-appealable court judgement. We may set off against all receivables that the Customer has against us with all receivables that we or companies in which Vaillant GmbH directly or indirectly hold a majority interest are entitled to against the Customer. On request, we shall inform the Customer of the individual companies covered by this clause. The Customer shall be entitled to exercise right of retention only if it is based on claims which are undisputed or confirmed by a non-appealable court judgement and which are resulting from the same contractual relation.

**4. Delivery Periods; Default, Passing of Risk; Loading Conditions**

- 4.1 Delivery periods shall be deemed agreed upon only on an approximate basis. Delivery periods shall begin on the day when acknowledgement of the order is sent and shall be deemed met, if the goods have left the works / warehouse by the agreed date or, in the case of dispatching the goods, if the Customer has been notified of readiness for dispatch by the agreed date.
- 4.2 Compliance with delivery periods shall require timely and proper performance of the Customer's obligations. If these obligations are not met, the periods shall be appropriately extended; this shall not apply if we are responsible for the delay.
- 4.3 In the event of default in delivery, the Customer shall grant us a reasonable additional period.
- 4.4 Our delivery obligation shall be subject to correct and punctual delivery of the appropriate goods from our supplier unless we are responsible for our suppliers' failure to deliver. The Customer shall be notified immediately if performance should not be possible. Any consideration already received shall be promptly refunded.
- 4.5 A delivery period shall be appropriately extended upon the occurrence of unforeseeable extraordinary events, e. g. war, acts of terrorism, natural forces, accidents or strikes, that cannot be averted despite the exercise of a standard of care that is reasonable for us in the circumstances of the specific case, even if such events occur at our suppliers, provided that the events significantly affect the completion or delivery of the delivery item. This particularly includes delays in the delivery of raw materials and supplies.
- 4.6 Damage claims of the Customer based on delay in delivery, and damage claims in lieu of delivery shall be limited to foreseeable damages typical of this type of contract in all cases of delayed delivery, even after the expiry of any period for delivery set by the Customer. This shall not apply, in so far as liability is mandatory, e.g. under the Product Liability Act [Produkthaftungsgesetz], or in cases of intent or gross negligence or in cases involving loss of life, injury to body or injury to health. The Customer may only cancel the contract pursuant to legal regulations, in so far as we are responsible for delay in delivery. The above provisions do not constitute a change in the burden of proof to the disadvantage of the Customer.
- 4.7 At our request, the Customer shall be obliged to declare within a reasonable period whether it will cancel the contract due to delay in delivery or will insist on delivery.

- 4.8 Deliveries ordered on call shall be accepted within 1 (in words: one) month from acknowledgement of the order.
- 4.9 If the Customer is in default of acceptance, fails to cooperate or if dispatch or acceptance of the delivery item is delayed for reasons for which the Customer is responsible, we are entitled to claim damages resulting therefrom including additional expenses (e.g. storage costs). Starting as of notification of readiness for dispatch or acceptance we charge the Customer a storage charge at the rate of 0.5% (in words: zero point five per cent) of the price of the delivery items to be stored for every month, but in total no more than 5% (in words: five per cent). The parties to the contract reserve the right to prove higher or lower storage costs (including insurance). The lump sum for storage costs is to be credited against further damage claims.
- 4.10 If not otherwise agreed upon, deliveries are carried on ex works / warehouse conditions, EXW according to Incoterms® 2020. The place of performance for the delivery and any subsequent performance shall also be located there. The risk of accidental loss and accidental deterioration of the goods shall pass to the Customer when the goods are handed over or – in case of sales shipment – when the goods are handed over to the transport company, carrier or other person or organization appointed to perform the shipment. We shall be entitled, but not obliged, to insure deliveries in the name of and for the account of the Customer. In the event of transport damage, the Customer shall without undue delay request a report of the facts from the responsible body and shall notify us thereof.
- 4.11 Handover shall be deemed to have taken place, even if the Customer is in default of acceptance.
- 4.12 Customers accepting deliveries at our works or warehouses shall observe all applicable loading and transportation regulations. In particular, transportation vehicles which have charged dangerous goods may not be employed. The provision of transportation vehicles which do not comply with sentences 1 and 2 does not constitute an acceptance of the delivery item. In this case, clause 4.9 shall apply mutatis mutandis.
- 5. Impossibility; Embargos; Adaptation of Contract**
- 5.1 Where it is impossible to make delivery, the Customer shall be entitled to claim compensatory damages, unless we are not responsible for impossibility. However, the Customer's damage claim shall be limited to 10 % (in words: ten per cent) of the value of the part of the delivery item that cannot be put to the intended use due to impossibility. This limitation shall not apply in so far as liability is mandatory, e.g. under the Product Liability Act [Produkthaftungsgesetz], or in cases of intent or gross negligence or in cases involving loss of life, injury to body or injury to health. This does not constitute a change in the burden of proof to the disadvantage of the Customer. The Customer's right to cancel the contract shall remain unaffected.
- 5.2 The fulfilment of the contract is subject to the proviso that such fulfilment is not prohibited or impaired by applicable export control regulations imposed by the Federal Republic of Germany, the European Union or by other applicable export control regulations. If required, the Customer shall promptly provide Supplier with all information and documents necessary for export or transfer purposes; this includes in particular documents which are required for filings with the German Federal Office of Economics and Export control (e.g. end-user statement or other official documents).
- 5.3 The delivered goods shall not be re-exported to Russia or re-exported for use in Russia if they fall under the scope of Article 12g of the Regulation (EU) No. 833/2014. In the event of a breach of this obligation, we will review the contractual relationship; all further rights remain reserved. Furthermore, we may be obliged to notify the competent authorities of violations of this obligation (see Article 12g (4) of the Regulation (EU) No. 833/2014). In accordance with Regulation (EU) No. 269/2014, the EU authorities may impose sanctions on natural or legal persons, entities or organisations that facilitate the circumvention of EU sanctions against Russia or otherwise undermine them.
- 5.4 Where unforeseeable events within the meaning of clause 4.5 significantly change the commercial importance or content of the delivery or have a significant impact upon our business operations, the contract shall be adapted to a reasonable extent in good faith. Where this is not commercially viable, we shall have the right to cancel the contract. If we intend to exercise such right to cancel the contract, we shall notify the Customer thereof without undue delay after we become aware of the repercussions of the event; this shall apply even where an extension of the delivery period was initially agreed upon with the Customer.
- 6. Delivery Item; Alterations to the Delivery Item**
- 6.1 The delivery item exclusively comprises the goods sold with the qualities, features and intended use specified in the enclosed product specifications. Moreover, public statements, sales talk and advertising shall not constitute any contractual indication of quality. Other or additional qualities, features or intended uses shall only be deemed agreed upon, if explicitly confirmed by us in writing within the meaning of clause 1.7.
- 6.2 We reserve the right to make alterations in design and form and change the scope of delivery as we may think fit, as long as the goods are not significantly altered, and such alterations are reasonable for the Customer.
- 7. Retention of Title**
- 7.1 Title to the goods shall remain with us and shall not pass to the Customer until satisfaction of all receivables arising from the business relationship, including future receivables and receivables arising from contracts concluded with the Customer at the same time or at a later date.
- 7.2 The Customer shall be entitled to sell or use these goods in the ordinary course of business, in so far as the Customer meets in due time its obligations arising from the business relationship. The Customer shall be obliged to treat goods under retention of title with care. However, the Customer may not pledge or transfer goods under retention of title as security. The Customer shall be obliged to secure our rights when reselling goods under retention of title on credit.
- 7.3 The Customer hereby assigns to us as security all receivables and rights arising from reselling or otherwise using (e.g. combining, processing) goods which the title to the goods remains with us. We hereby accept this assignment. Until revocation, the Customer remains entitled to collect assigned claims.
- 7.4 The Customer shall without undue delay inform us of third-party debt enforcement measures imposed upon goods under an infringement of property rights results from specifications retention of title or upon receivables or other security items assigned to us and shall hand over to us the documents necessary for intervention.
- 7.5 Storage, re-working or processing by the Customer of goods under retention of title shall always be on our behalf. If goods under retention of title are inseparably processed or mixed with other items not belonging to us, we shall acquire co-ownership of such new article in the ratio of the invoiced value of the goods under retention of title to the value of the other processed or mixed items at the time of processing or mixing. If our goods are combined or inseparably mixed with other movable items to form one unitary article and if the other article is to be considered the main article, it shall be deemed agreed upon that the Customer shall transfer co-ownership rights to us on a pro-rata basis in so far as the Customer owns the main article. The Customer shall hold the property or joint property in safekeeping for us.
- 7.6 In so far as security for goods under retention of title exceeds by more than 10 % (in words: ten per cent) of the receivables to be secured, we shall at the Customer's request release security items of our choice to this extent.
- 7.7 Where the Customer fails to fulfil its duties, fails to make payment due, or otherwise violates its obligations, we shall be entitled to rescind the contract and to take back the retained goods in the case of continued failure following expiry of a reasonable remedy period set by us; the statutory provisions providing that a remedy period is not needed shall be unaffected. The Customer shall be obliged to return the retained goods. The fact that we take back retained goods and/or exercise the retention of title, or have the retained goods seized, shall not be construed to constitute a rescission of the contract, unless we expressly declare so.
- 7.8 The retention of title under this clause 7 shall apply as permissible under the laws of the country where the delivered goods are located. If such legal system does not permit retention of title but allows us to reserve other rights in the delivered goods, we may exercise all rights of such kind. The Customer shall be obliged to collaborate in all measures that we wish to take in order to protect our ownership rights or other rights in the delivered goods in place of those ownership rights.
- 8. Defects in Quality**
- 8.1 If the goods delivered are defective, we shall at our option repair or replace the goods free of charge, provided that the cause of the defect already existed at the time of passage of risk. Our right to refuse subsequent performance according to the statutory provisions shall remain unaffected.

- 8.2 The Customer shall examine the goods pursuant to the rules of German law (§ 377 of the German Commercial Code [HGB]) immediately upon receipt of the goods. Defects discovered shall be notified to us in writing without undue delay, in the case of apparent defects within 8 (in words: eight) days from taking delivery of the goods, in the case of hidden defects once the defects become apparent. If the Customer fails to give such notification, the goods shall be deemed approved.
- 8.3 In the event of complaints in respect of defects, the Customer may only withhold payments to an extent reasonably proportionate to the defects that have occurred. The Customer may only withhold payments, if there can be no doubt about the justification for the complaint made. The customer has no right of retention, if its claim based on defects is already time-barred. If a complaint is wrongly made, we shall be entitled to claim from the Customer reimbursement of our expenses incurred.
- 8.4 Customer shall first of all grant us the opportunity to render supplementary performance within a reasonable period.
- 8.5 If supplementary performance fails, the Customer may – without prejudice to any damage claims pursuant to clause 8.10 – cancel the contract or reduce the price.
- 8.6 Claims based on defects shall not exist in cases of only minor deviations from the agreed quality, in cases of only minor impairment of use, in cases of normal wear and tear or in cases of damage arising after the passage of risk due to improper installation or commissioning, improper alterations or repair work by the Customer or a third party, incorrect or negligent treatment, excessive use, unsuitable operating material, defective construction work or due to extraordinary external influences not foreseen in the contract.
- 8.7 Any claims of the Customer based on necessary expenses relating to supplementary performance, including in particular costs of transport, travel, labour and materials, are excluded, in so far as such expenses have increased because the goods were later transported to a place other than the place of delivery. The reimbursement of dismantling and installation costs is excluded.
- 8.8 The Customer shall be entitled to rights of recourse against us pursuant to § 478 of the German Civil Code [BGB] (Entrepreneur's Right of Recourse) only in so far as the Customer has not made an agreement with its customers that goes beyond the scope of statutory claims based on defects. Furthermore, the scope of the Customer's right of recourse against us pursuant to § 478 (2) of the German Civil Code [BGB] shall be governed by clause 8.7 accordingly.
- 8.9 Claims based on a defect in quality pursuant to this clause 8 shall be subject to a 12-months (in words: twelve) limitation period. This shall not apply where longer periods are prescribed by law under § 438 (1) no. 2 (Buildings and Things Used for a Building), § 479 (1) (Right of Recourse) or § 634a (1) no. 2 (Building Defects) of the German Civil Code [BGB], nor in cases of loss of life, injury to body or injury to health, intentional or grossly negligent breach of duty on our part or fraudulent concealment of a defect. This shall not affect legal regulations governing suspension of expiration, suspension of limitation periods and recommencement of limitation periods.
- 8.10 Additionally, damage claims shall be governed by clause 10. Claims of the Customer going beyond, or other than, the claims defined in this clause 8 against us or our vicarious agents based on a defect in quality are excluded.
- 8.11 If the Customer receives defective assembly instructions, we shall only be obliged to deliver assembly instructions that are free from defects and only if the defective assembly instructions impede due and proper assembly.
- 9. Property Rights and Copyrights; Defects in Title**
- 9.1 Except where otherwise agreed upon, we shall merely make delivery in the countries of the place of delivery and manufacture free from third-party industrial property rights and copyrights (hereinafter: "property rights"). Where a third party brings a justified claim against the Customer based on an infringement of property rights in respect of deliveries made by us and used in conformity with the contract, we shall within the period specified in clause 8.9 be liable towards the Customer as follows:
- a) We shall at the Customer's option and at our expense either obtain a right to use the respective deliveries, alter them such that the property right is not infringed or replace them. If we are unable to do so on reasonable terms, the Customer shall be entitled to statutory claims for cancellation of the contract or reduction of price.
- b) Obligations to pay compensatory damages shall be determined in accordance with clause 10.
- c) Our obligations stated above shall apply only in so far as the Customer gives us without undue delay written notification with the meaning of clause 1.7 of any such claim brought by a third party, the Customer does not acknowledge an infringement, and all defensive measures and settlement negotiations are left to our discretion. If the Customer ceases using the delivered goods for reasons of minimizing damages or for other reasons, the Customer shall be obliged to point out to the third party that cessation of use does not constitute acknowledgement of any infringement of property rights.
- 9.2 Claims of the Customer are excluded in so far as the Customer is responsible for the infringement of property rights.
- 9.3 Furthermore, claims of the Customer are excluded, in so far as provided by the Customer, by an application not foreseeable by us or by the fact that the Customer alters the delivered goods or uses them together with goods not supplied by us.
- 9.4 Additionally, in the event of an infringement of property rights the claims of the Customer defined in clause 9.1 a) shall be governed by the provisions in clauses 8.3, 8.4 and 8.8 accordingly.
- 9.5 The provisions in clause 8 shall apply accordingly where other defects in title exist.
- 9.6 Claims of the Customer going beyond the claims defined in clause 9 or other claims against us or our vicarious agents based on a defect in title are excluded.
- 10. Other Damage Claims, Statute of Limitations**
- 10.1 The Customer has no claim for damages based on whatever legal reason, including infringement of duties arising in connection with the contract or tort.
- 10.2 This shall not apply where our liability is mandatory, e.g. under the Product Liability Act [Produkthaftungsgesetz], in cases of intent or gross negligence, in cases involving loss of life, injury to body or injury to health and in cases of breach of fundamental contractual duties. Fundamental contractual duties are such duties that protect the Customer's legal positions that are essential for the contract and which the contract grants him especially according to its contents and purpose; moreover, contractual obligations are also essential if due and proper performance of the contract would not be possible without them and if the Customer regularly trusts and may trust in compliance with such obligations. However, compensatory damages for breach of fundamental contractual duties shall be limited to foreseeable damages typical of this type of contract, except in cases of intent or gross negligence and in cases of liability involving loss of life, injury to body or injury to health. The above provisions do not constitute a change in the burden of proof to the disadvantage of the Customer.
- 10.3 To the extent that the Customer is entitled to damage claims pursuant to this clause 10, these shall become time-barred with the expiry of the limitation period applicable to claims based on a defect in quality pursuant to clause 8.9. Damage claims arising under the Product Liability Act [Produkthaftungsgesetz] shall be governed by the legal regulations.
- 11. Product Monitoring**
- 11.1 The Customer shall monitor the goods delivered by us in the territory in which the Customer distributes them, in order to prevent cases of product liability as well as risks to consumers under the aspect of product safety. This shall include, in particular, the tracking and investigation of customer complaints as well as the monitoring and evaluation of the relevant publicly accessible sources of information (e.g., newspapers, media) with regard to (possible) product safety risks of the delivered goods. The Customer shall cooperate with us and/or the manufacturer of the delivered goods ("Manufacturer") in solving product liability and product safety cases, in particular in case of product recalls and product warnings. In case of (possible) product safety issues, in particular in case of personal injury or significant material damage caused by the delivered goods, the Customer shall inform us immediately in writing and e-mail ([productmonitoring@vaillant.com](mailto:productmonitoring@vaillant.com)) in advance and shall provide us and/or the Manufacturer with all information necessary for the analysis of the case. If we and/or the Manufacturer require to use a specific format (e.g., document template) for the provision of the necessary information, the Customer shall use this format. These obligations of the Customer shall survive the expiration or termination of the contractual relationship.
- 11.2 We and/or the Manufacturer shall make available to the Customer product safety-related information pertaining to the delivered goods, in particular in case of product recalls and product warnings. The Customer is obliged to keep itself informed and up to date regarding such information as provided by us and/or the Manufacturer and to

cooperate with us and/or the Manufacturer with a view to carry out safety-related measures as instructed by us and/or the Manufacturer. We or the Manufacturer shall reimburse the Customer for all necessary expenses incurred in this connection, if and insofar as the Customer is not responsible for the product recall or product warning. The Customer acknowledges its responsibility to take appropriate measures to prevent any safety risk to the consumer.

**12. Final Provisions**

- 12.1 The Customer may only transfer its contractual rights and/or obligations to third parties with our prior written consent within the meaning of clause 1.7.
- 12.2 The place of performance and delivery for all obligations arising from the contractual relationship is Remscheid, Germany.
- 12.3 The contractual relations shall be governed by German law to the exclusion of international private law (the law concerning conflict of laws) and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 12.4 All disputes arising out of or in connection with the contractual relationship to the Customer shall be finally settled in accordance with the Arbitration Rules of the German Institution of Arbitration (DIS) without recourse to the ordinary courts of law. The number of arbitrators is three. The language of the arbitral proceedings is English. The place of arbitration is Düsseldorf, Germany.
- 12.5 In the event that individual provisions of these General Terms and Conditions of Sale and Delivery or other agreements reached with the Customer should be or become partly or entirely invalid, this shall not affect the validity of the other provisions. The entirely or partly invalid provision shall be replaced by a provision that approximates as closely as possible to the economic intent of the invalid provision.