I. General Conditions

1. The Contractor’s offer is based on the following provisions. It shall be valid for the period defined in the written offer, but shall not exceed 6 (six) months following the presentation of the offer.

2. The conditions described herein shall be subordinated to the supplementary contractual terms agreed between the Contractor and the Client.

3. Fulfilment of the contract by the Contractor shall be subject to the proviso that there will be no barriers to fulfilment due to national or international regulations such as export laws, embargos and/or other sanctions.

II. Scope of Supply and Services

1. The scope of supply or services shall be specified in the offer. Any amendments shall be subject to the written consent of both parties.

2. The documents enclosed with the offer such as illustrations, drawings, weights and/or measurements shall only be of a descriptive character, insofar as they are not explicitly designated as binding. The transfer of such documents to third parties shall require the consent of the Contractor.

3. The goods and/or services shall be based on the recognized state of the art at the time when the offer was submitted.

4. Partial deliveries of goods and/or services shall be permitted.

III. Prices and Terms of Payment

1. Unless otherwise agreed, prices shall be quoted ex works (Incoterms 2010) exclusive of any packaging and indirect taxes, especially property taxes, license fees, taxes on the sale and usage of goods and services as well as value-added tax or similar taxes and duties arising from the conclusion of the contract or the associated works.

2. The prices offered are based on an order for the entire scope of goods and/or services proposed in the offer.

3. Payments of the Client shall be made without any deductions to the Contractor’s banking agent (plus the applicable value-added tax at the statutory rate).

4. If the Client is in default on a payment, the Contractor shall be entitled to demand default interests at a rate of 8 (eight) percentage points above the base interest rate of the European Central Bank.

5. The Client may only offset such payments against receivables which are undisputed or have been determined by a court of law.
IV. Retention of Title

1. The items subject to the delivery and/or service shall remain the property of the Contractor until the fulfilment of all its claims against the Client arising from the business relationship.

2. While such retentions of title exist, the Client shall have no right to pledge or collateralize the goods and/or services supplied, and their resale shall be authorized only in the ordinary course of business and only on condition that the Client promptly receives the purchase price from its customer or that the sale is contracted with retention of title and/or the Client reserves its rights of retention until fulfilment of all claims of the Client by its customer.

3. In case of attachments or seizures of the deliveries of goods and/or services or other disposals of third parties resulting in the Contractor's loss of property of such goods and services, the Client shall notify the Contractor immediately and in writing.

V. Delivery Period

1. The delivery period shall start with the written order and the dispatch of the order confirmation by the Contractor, but no earlier than the reception of all documents to be supplied by the Client as well as all necessary licenses and approvals, especially plans and not before the negotiated advance payment has been credited.

2. The delivery period shall be extended by time periods of any event of force majeure or other non-culpable, exceptional or unforeseeable circumstances, e.g. strikes and lockouts, insofar as the Contractor or its sub-contractors are directly affected; war (with or without declaration of war), riots, revolution, acts or omissions of civil or military authorities, non-culpable delays in the manufacturing of significant components of goods and/or services and special delays during transport, insofar as the completion or the delivery of the goods and/or services is affected. The Contractor shall communicate the beginning and the end of such hindrances to the Client.

3. If the Contractor is in default of delivery for reasons for which he is solely responsible, the Client shall have the right to require for every week of delay a lump-sum compensation of 0.5 % (zero point five percent) of the value of the part of the delivery of goods and/or services part that could not be put into service.

4. The Contractor’s liability shall be limited to the minimum amount of either 5 % (five percent) of the price of the delivery that could not be put into useful service because of the delay or € 100,000 (one hundred thousand Euros).

5. If the completion of the goods and/or service is delayed due to reasons for which the Client is responsible, the Contractor has the right to suitably adapt the deadline, the price and other affected contractual conditions.

6. If the transport or delivery of goods and/or services is delayed by more than a month following their readiness for dispatch due to reasons, for which the Contractor cannot be held responsible, a storage fee of 0.5 % (zero point five percent) of the price of the respective delivery may be charged to the Client for each month or part thereof or, if the lump-sum storage fee exceeds the actual cost of storage, such storage may be charged to the Client. In case the delay in delivery has been caused by the Client, it shall be obliged to compensate the Contractor for all additional costs arising.

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¹ In the event of any conflict between the German and English version, the German version shall prevail.
VI. Transfer of Risk and Acceptance

1. With the dispatch of the parts supplied, the risk of ownership shall be transferred to the Client. Upon the Client's request and at its expense, the good and/or service shall be insured against theft, breakage, transport, fire and water damage and other insurable risks.

2. Insofar as the agreement covers the installation or assembly and the trial run, the transfer of risk shall occur after the successful completion of the trial run. It shall be assumed that the trial run shall follow immediately upon the ready-to-operate installation or assembly.

3. If the dispatch, delivery, installation or assembly is delayed at the Client's request for reasons, for which it is responsible, the risk for the period of the delay shall be transferred to the Client. Upon the Client's request, the Contractor shall be obliged to contract the insurances the Client requires.

4. Irrespective of the rules of Art. VII ("Acceptance") and Art. VIII ("Liability for Defects"), the Client shall be obliged to accept the contractually agreed good and/or service, unless the entire good and/or service is defective and/or essential parts are missing.

5. Following the acceptance and/or reception of the shipping documents, the Client shall check the goods and/or services and shall inform the last consignor – while sending a copy to the Contractor – of any transport damages or other claims arising from the carriage or the transport and shall secure any evidence of the damage or claims especially in the form of photographs.

VII. Acceptance

1. The Contractor shall not be entitled to refuse acceptance of the goods and/or services because of

a) defects which only have a minor impact on the use of the respective good,

b) minor discrepancies from the technical description,

c) the incorrect installation or assembly of the good and/or service by parties other than the Contractor.

2. If the defect can be remedied and the Contractor does not completely refuse the necessary supplementary performance, the Client shall not be entitled to definitely refuse acceptance.

3. When the goods and/or services or a part thereof is ready for shipment and cannot be delivered or put into service for reasons for which the Contractor cannot be held responsible, acceptance shall be deemed to be valid as soon as the Contractor has notified the Client of the readiness of dispatch.

4. Insofar as official acceptances are required, they shall be performed by TÜV or other explicitly agreed neutral accredited institutions.

5. All cost and expenses for acts of the Client or any third party commissioned by the Client for inspections, checks, official approvals, acceptance procedures or the like shall be borne by the Client.

6. Unless otherwise agreed, the design, process calculation, manufacturing and assembly shall be governed by the regulations of the Federal Republic of Germany as applicable at the time of submitting the offer.
VIII. Liability for Defects

The Contractor’s liability for defects including discrepancies from explicit warranties or the non-compliance of guarantees or representations made shall be as follows:

1. Depending on the Contractor’s choice, non-compliant goods and/or services or parts thereof shall be repaired, newly delivered or performed pursuant to the conditions stated in the following clauses.

2. The Contractor shall be only liable if:

   a) the Client can provide evidence that it acted in accordance with the instructions for operation and maintenance or provisions contained in other documents of the original manufacturer or the Contractor and especially those concerning the use of the good and/or service in places that are deemed to be suitable by such instructions and/or those complying with recognized rules for the specific case, when the instructions for operation or maintenance do not include any such rules;

   b) the Client immediately notifies the Contractor of any defect occurring during the warranty period, after such a defect was discovered or ought to have been discovered by exercising due diligence, and if the Client gives the Contractor an opportunity to investigate the cause upon the latter’s request;

   c) the defect already existed prior the transfer of risk and did not occur as a result of permissible wear;

   d) the Client has undertaken all necessary steps to minimize the damage; and

   e) the Client provides evidence that only the Contractor performed changes or repairs of the good and/or service or in the area in which the Contractor made the delivery of the good and/or service.

3. The Contractor shall on no account be responsible for defects

   a) of separate components, equipment or services provided by the Client unless the Contractor explicitly and contractually agreed to remedy this defect;

   b) when the discrepancies have been caused by the Client or third parties as a consequence of incorrect handling, abuse, excessive loads or other improper use; or

   c) when the Client prevents the Contractor from remedying the defect; or

   d) when such defects have been caused by accidents; or

   e) when they are based on designs, work or parts not included in the scope of delivery of the good and/or service.

4. If the Contractor remedies a defect, it shall have the right to request payment for the supplementary performance, unless the remuneration agreement agreed with the Client for theses goods and/or service provides otherwise, or - if there is no such agreement - in accordance with the Contractor’s price list as applicable at the time of the remediation, and unless the Contractor has accepted responsibility for this defect or the Client has provided evidence of the Contractor’s responsibility and documented that the conditions pursuant to the Art. VIII no. 2 (“Liability for Defects”) shall be met. The regulations forming the basis of this contract shall also apply for the provision of restoration work.
5. The Contractor shall be granted sufficient time and opportunity to remedy a defect. For this purpose and free of any charge, the Client shall provide access to the defective good or service including its disassembly and reassembly, and shall provide access to the maintenance and operating documentation and the control system.

6. With the exception of the explicit warranty claims of Art. VIII ("Liability for Defects"), the Contractor waives any further defect liability especially concerning the marketability or fitness of the delivered good and/or service for a distinct purpose.

7. The Client's period of limitation regarding claims for defects and infringement of intellectual property rights shall be 12 (twelve) months for all delivered goods and/or services. The period of limitation shall begin with the first of the following events, i.e. the

   a) transfer of risk to the Client or

   b) the completion of the respective good and/or service, if the Contractor executes, assembles or installs the good and/or service supplied under this contract outside its own premises or the premises of its sub-Contractors.

Pursuant to the Clause 1 no 7 of Art. VIII ("Liability for Defects"), the limitation period for parts replaced in the context of a remediation of defects amounts to 6 (six) months, but ends no later than 6 (six) months following the end of the guarantee period of the original delivery.

8. If the repair or the new delivery does not result in agreed requirements being fulfilled, the Client shall be entitled to an adequate reduction of the remuneration. The maximum amount of all reductions shall be limited to 10 % (ten percent) of the contractual price. Claims exceeding this threshold are excluded.

9. The Client shall have no right to compensation for indirect and consequential damages and loss of turnover, loss of production, the procurement of substitute energy, the loss of information or data, loss of monies on account as well as interest costs and further financing costs.

10. Other than the defect claims of the Client agreed in Art. VIII ("Liability for Defects") and including the right of termination, rescission or compensation due to a material defect or failure, all other defect-related rights of the Client shall be excluded. In particular, the Client shall have no right to contest the contract because of material defects or failures.

**IX. Property Rights**

1. The Client shall be obliged to neither copy nor make available to third parties any cost estimates, drafts or other data and information - whether in written, oral or electronic form (further “information”) – received from the Contractor without the Contractor’s prior written consent. Furthermore, the Client shall only be entitled to use information received for the authorized purpose determined by the Contractor. The Client shall not be authorized to use the information for any other purpose than operation and routine daily work – maintenance and repair.

2. The Client agrees to instruct employees having access to the Contractor’s information as specified in the non-disclosure agreement and to limit the access to the employees requiring this information to perform their duties.

3. Insofar as the Contractor agrees to the Client sharing information with third parties, the Client ensures that such third parties sign an agreement offering no protection to the Contractor than the non-disclosure agreement pursuant to this contract.

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1 In the event of any conflict between the German and English version, the German version shall prevail.
4. The Client’s obligations resulting from Art. IX (“Property Rights”) shall continue to apply after the end or termination of the business relationship.

X. Liability for Ancillary Obligations

If the delivered item is not used as contractually agreed by the Client because of any omitted or failed execution of proposals and consultations as well as other ancillary contractual obligations – especially operating manuals and maintenance manuals for the delivered good and/or service-, the provisions of Art. VIII (“Liability for Defects”) and Art. XI (“Other Liability of the Contractor”) shall apply accordingly with any further claims of the Client being excluded.

XI. Other Liability of the Contractor

1. The liability of the Contractor including its vicarious agents and auxiliary persons shall be limited to the reason and the total amount of the following insurance cover of the Contractor as specified for its operational, product and environmental liability insurance:

   a) operational and product liability insurance:

      • € 10 m (ten million) for personal injury,
      • € 10 m (ten million) Euro for material damages,
      • € 0.5 m (zero point five million) for property damages

   per damage event and limited to a maximum of two events per year.

   b) environmental liability insurance:

      € 10 m (ten million) for personal and/or property damages

   per damage event and limited to a maximum of one event per year.

2. The Client shall hold the Contractor harmless against any claims for damages by third parties insofar as they exceed the above-mentioned amounts.

XII. Court of Jurisdiction, Applicable Law

1. The agreed court of jurisdiction shall be Cologne.

2. This contract shall be governed by German law. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.