

Environmental Technology Magdeburg GmbH

General Terms and Conditions of Purchase

1 APPLICABILITY OF PRINCIPAL'S TERMS AND CONDITIONS

These Terms and Conditions of Purchase apply exclusively to all deliveries of goods/services provided to **Environmental Technology Magdeburg GmbH** (= Principal). By accepting or performing the Order, Contractor agrees to all present conditions. "Contractor" refers to the person, company or organisation to which the order letter issued by **Environmental Technology Magdeburg GmbH** is addressed.

Contradictory or additional terms and conditions offered by Principal will not be accepted. They will apply only if Principal expressly agrees to such terms and conditions or parts thereof in writing.

2 PLACING OF ORDERS / ORDER CONFIRMATION / ORDERING DOCUMENTS / PRECEDENCE

2.1 Conclusion of the contract

The Contract is deemed to be concluded by sending the order letter, either upon (1) Contractor submitting an offer and Principal ordering subsequently or upon (2) Principal and Contractor preparing a negotiation protocol and Principal ordering subsequently or upon (3) Principal ordering and issuance of an unrestricted confirmation of the order issued on the basis of Principal's original documents or upon the commencement of performance by Contractor.

Until a Contract is signed, the Contractor is considered a bidder. Orders will be valid only if issued on Principal's ordering forms and if duly signed. Any oral orders or orders made by phone are deemed valid only if later confirmed in writing by Principal.

As a matter of principle, agreements and terms are applicable only if acknowledged in writing by Principal. Additional claims by Contractor resulting from additional work will be accepted only if Principal has issued written instructions to this end. Any correspondence in relation to Orders by Principal is to be addressed to Contractor's business address, never to individual persons.

2.2 Order confirmation

Each Order is to be confirmed promptly but no later than within 14 calendar days including an attached order confirmation, otherwise the Order will be deemed accepted according to the substance of Principal's order letter and Principal's Terms and Conditions of Purchase. Any order confirmation issued on Contractor's stationery is invalid. In such a case Principal will reserve the right to cancel the Order.

2.3 Ordering documents

Any drawings and drafts attached to Principal's inquiries or orders as well as samples, models, clichés and other necessary devices provided by Principal will remain property of the Principal. The preparation of quotations incl. drawings/plans, if any, will not be compensated.

Any technical or commercial supplements (documentation, attachments, warranty terms, etc.) form an integral part of the Order. If the ordering documents contain contradictory provisions regarding the nature and scope of services to be provided by the parties, the following order of precedence will apply: (1) text of the Order; (2) negotiation protocol, if issued; (3) general project documents as well as Principal's special technical and/or commercial documents; (4) current General Terms and Conditions of Purchase; (5) Contractor's quote.

3 PRICES / INVOICING / PAYMENT / BANK GUARANTEE

3.1 Prices

Prices as stated on the face of the Purchase Order are fixed – including all discounts and surcharges – plus applicable VAT, free delivery at place of use including packaging and shipping, insurance and taxes/duties/dues related to Contractor's deliveries and services in the specific country of performance. The pricing shall in no way affect the agreement on the place of performance.

3.2 Invoicing

Principal's order number etc. must be stated clearly on the face of the invoice. Invoices must be presented in duplicate with a copy of 1) the advanced shipment confirmation or 2) the delivery note, signed by Principal's acceptance officer. 3) Service invoices must also contain proof of performance. Invoices are to be addressed to **Environmental Technology Magdeburg GmbH**, Klausenerstraße 29, 39112 Magdeburg, Germany. Original invoices are not to be included with shipments of goods.

Contractors from EU-countries need to state on all invoices for deliveries not only legally required information on tax exemption but also on the movement of goods.

Partial invoices will only be accepted if agreed upon separately. Invoices for partial deliveries / services need to be marked "Teillieferungsrechnung" (invoice for partial delivery) or "Teilleistungsrechnung" (invoice for partial service provision), final invoices need to be marked "Schlussrechnung Lieferung" (final invoice for delivery) or "Schlussrechnung Leistung" (final invoice for services). For domestic business transactions, the invoice must state the VAT percentage; VAT must always be stated clearly for each invoice amount.

3.3 Payment

Invoices will be paid after complete delivery or service provision and billing, provided all accounting documents have been presented (confirmed delivery notes, quantity statements, etc. as well as the requested documentation or acceptance protocol signed by Principal, etc.). If items are delivered in advance, the term of payment will start on the delivery date stated in the Purchase Order. If not agreed otherwise, Principal will pay within 14 days after receipt of the invoice and proper and complete delivery/service provision with a 2% discount or 30 days net. Payment will not be deemed as acceptance of the propriety of the services and deliveries and therefore present no waiver by the Principal of performance, warranty, compensation, contractual penalties, etc. C.O.D. shipments will not be accepted (except if agreed in writing).

Principal has the right to withhold payments if Contractor does not fulfil his contractual obligations (e.g. quality, deadline, function, etc.) or as long as Contractor does not remedy defects. The withholding of payments shall not give Contractor the right to interrupt or terminate performance of the Contract. In such a case, Principal's entitlement to the above discount remains in force. If the obligation to pay has been contested entirely or in part due to objection to, damage to or loss of the goods prior to acceptance, the term of payment will start after facts have been clarified or defects remedied.

Conditions for release of the relevant payments by Principal are fulfilled only after receipt of the agreed documents. Principal may set off claims with payments due from other orders.

For the term of the warranty period, Principal may withhold up to 10% of the order value / invoice amount. If partial invoices/partial payment has been agreed, 10% of each partial invoice may be withheld as retention until acceptance of the final invoice.

3.4 Bank guarantees

If pursuant to the Order, deliveries/services need to be collateralized by bank guarantees, they must be issued according to the sample provided by Principal. Contractor expressly agrees to the assignment, pledge or restricted transferability of claims arising from these guarantees to a bank named by Principal.

4 PERIOD OF DELIVERY / SERVICE PROVISION

1. Delivery or service deadlines as stated in the Order are binding. The day of complete delivery of the goods ordered including presentation of acceptance certificates, test certificates, documentation and other technical documents is relevant to the delivery term stipulated. If goods are delivered in advance without Principal's consent, Principal reserves the right to charge related costs (storage, etc.). Contractor is obliged to inform Principal immediately in writing if circumstances arise or may be anticipated resulting in failure to comply with the date agreed. This, however, will not affect the obligation to observe the dates/terms agreed.

2. In case delivery or service deadlines agreed are exceeded, Principal has the right to rescind the Contract or insist on performance or make new or coverage purchases at his option after granting a one-time 14-day grace period. Contractor will bear additional costs incurred by Principal as a result of non-compliance with the delivery or service deadlines agreed for the goods ordered.

3. Contractor may only invoke failure to provide relevant documents to be delivered by Principal if Contractor has not received such documents within a reasonable term despite a written reminder.

5 PLACE OF PERFORMANCE / PASSING OF RISK

Place of performance for deliveries and service provision is the place stated by Principal on the face of the Purchase Order. The place of payment and documentation is the Principal's location. The risk will pass to Contractor at the delivery point, even if stipulated otherwise in the INCOTERMS.

6 SHIPMENT

1. In principle, all shipments are covered by transport insurance, supplied free at destination and in free packaging. Contractor always bears the transportation risk.

2. Shipping provisions issued by Principal must be strictly adhered to; Contractor will bear any damage or expenses resulting from non-compliance with shipping regulations or shipping terms agreed (e.g. additional freight, truck demurrage charges, duties, damage to means of transportation). In the absence of any applicable shipping regulations or shipping terms, Contractor will select the most economical shipping and delivery modes for Principal.

3. Contractor is obliged to provide sufficient packaging according to the type of goods and mode of shipment to ensure that the goods will arrive in proper condition at the delivery point. Contractor bears any costs arising due to improper or insufficient packaging.

4. Contractor will conspicuously label the shipment stating the delivery address, the name of the recipient, if required, order number, position number, etc., and adhere strictly to the shipment regulations. All shipments must include a detailed original delivery note issued by Contractor in plain text specifying the order number, order position, CRN no. and material no. The fact that the shipment of all ordered goods to be delivered at Contractor's expense and risk is ready for shipment must be advised in writing to Principal's project management as to its exact

arrival at the delivery point in time, i.e., no later than 3 days prior by specifying all shipping information (number of packages, weight, dimensions).

In the event of non-observance of these Terms and Conditions, Principal is entitled to refuse acceptance of the shipments and to return them at Contractor's expense and risk. Delivery shall be deemed delayed until the arrival of proper delivery documents or properly labelled goods. Any costs arising shall be borne by Contractor. Contractor shall bear any expenses incurred for the misrouting of shipments if Contractor is responsible for transport.

5. As a matter of principle Contractor may make partial deliveries/provide partial services only with Principal's written consent.

6. For shipments of goods liable to customs duties from outside the country, all documents required for customs clearance must be sent in time prior to the departure of the shipment to the customs broker stated by Principal or be attached to the shipping documents. Contractor shall bear any expenses incurred by Principal due to delayed customs clearance as a result of missing customs clearance documents required.

7. Principal may postpone the delivery date whereas Contractor agrees to store the shipment free for charge for 3 months.

8. If Contractor is responsible for loss of the shipment, e.g. due to incorrect shipping arrangements, labelling, etc., Contractor shall deliver a free replacement shipment to the place of performance.

7 WARRANTY/DEFECTS

1. Deviating from or in addition to Contractor's warranty obligations pursuant to the German Civil Code (BGB) and German Commercial Code (HGB), the following provisions shall apply: To the extent that no other terms and conditions are imposed in the Order, Contractor grants a warranty for a period of two years or 16,000 service hours. This period will start 1) at defect-free (preliminary) acceptance or 2) in case of no formal acceptance, after successful commissioning, 3) in case of no commissioning, after successful delivery. Deliveries and services provided are deemed preliminarily accepted upon preliminary acceptance by the end user. Final acceptance will take place after the above period has expired.

The order letter specifies if any formal acceptance will take place. Contractor is responsible for the timely execution and performance of any and all measures required for a smooth transaction as regards preliminary acceptance.

Contractor shall not be liable for unavoidable wear and tear according to the state of the art or damage due to improper use that Contractor is not responsible for. Contractor shall be responsible for providing conclusive evidence, though.

2. Contractor agrees to deliver the goods and services by expressly guaranteeing that they are free of defects.

3. Contractor warrants the performance of the Contract in concordance with the Order: Contractor grants a warranty for the constructional parts used, their correct, proper dimensions and design, perfect workmanship and the assembly of plants as well as for compliance with features agreed, irrespective of whether they originate with Contractor or his subcontractors, in particular that function, technical features, performance data, characteristics, etc. according to the Order comply with relevant documents and brochures, catalogues, etc.; that equipment complies with the state of the art at the time of ordering in accordance with the technical order specifications; that it has been manufactured according to the applicable regulations and that new, high-quality material has been used for the intended purpose.

Contractor shall be responsible for providing conclusive evidence.

4. Contractor shall be liable for non-conforming deliveries/services provided by Contractor, including missing features, in such a way that Contractor undertakes to repair, redeliver or modify all those parts at his expense that prove to be useless or compromise proper use within the warranty period due to non-compliance with technical requirements, use of unsuitable material, non-conforming manufacture, incorrect or improper dimensions, design, assembly or other incidences of non-compliance with contractual requirements. Contractor shall be obliged to remedy such defects, free site of use including all extra work and expenses. Contractor must bear costs incurred for disassembly, assembly, freight, packaging, extra expenses such as duties and taxes, etc. As a matter of principle, Contractor shall execute any and all deliveries and services required to remedy such defects, particularly services provided as regards construction and instrumentation and control technology. Spare parts not installed but proven to be out of order must also be replaced.

5. The number of parts to be replaced is not limited and may encompass the entire delivery.

6. If the warranties given have not been fulfilled after the granted grace period has expired, Principal may cancel or rescind the Contract.

If it is not possible to remedy a defect or if it is unreasonable for Principal to do so, Principal has the right to cancel the Contract or reduce the price.

7. Contractor will be informed in writing about any defect occurring by granting a reasonable grace period to remedy the defect (notice of defect).

In the case of the delivery of goods, the term for inspecting the goods and notifying Contractor of a visible defect will be four weeks starting upon receipt of the delivery. The term for giving notice of any hidden defects that are identified during assembly or start-up will be four weeks upon identification of the defect.

8. If Contractor fails to comply with the request to remedy the defects found within the grace period granted, Principal has the right to remedy or have remedied such defects at Contractor's risk who will bear the costs incurred, evidence of which must be furnished. In such a case Contractor's warranty obligations will remain in force.

Principal will notify the Contractor prior to performing such measures. However, in urgent cases of imminent danger Principal may deviate from this provision to avoid damage. In such a case, Principal will notify Contractor as soon as possible. Contractor's warranty obligations will not be limited by such event.

9. If the item delivered/service provided must be redelivered, repaired entirely or in part or replaced, the warranty period for the newly delivered, replaced or entirely or partially repaired item will start anew.

10. Any limitations of obligations, liabilities or claims for compensation by Contractor or his suppliers that Principal may be entitled to pursuant to any applicable law regarding product liability will not be accepted and are ineffective. Contractor warrants that the product is free of defects as regards its design, production and instruction pursuant to the provisions of the Product Liability Act. Contractor warrants in particular that according to the state of the art of science and technology no defects of the product could be identified at the time the product was placed on the market.

8 INSURANCES, LIABILITY, PRODUCT LIABILITY LAW

As provided by law, Contractor is liable for all damage to property or personal injury suffered by Principal or third parties caused by Contractor, his personnel, agents or his deliveries and services. Contractor must take out liability insurance for material damage and bodily injury with sufficient coverage. Upon Principal's request Contractor must furnish the insurance certificate for inspection. If Contractor has harmed third parties, Contractor must come to an agreement with such parties.

If Principal asserts claims arising from the Product Liability Act, Contractor agrees to indemnify and hold Principal harmless. At any time Contractor will be obliged to specify the name of the manufacturer or his sub-suppliers upon Principal's request.

9 CONTRACTUAL PENALTIES

In the event of a delay in delivery or performance, Principal shall be entitled to a penalty amounting to 1.5% of the value of the entire Purchase Order for each commenced calendar week of the delay but no more than 10%. In case of default in documentation, Principal shall be entitled to a penalty amounting to 1.5% of the value of the entire Purchase Order for each commenced calendar week of the delay but no more than 10%. Any deviating terms must be stated in the written Purchase Order. In case Principal rescinds the Contract, contractual penalties may be deducted from payments due or invoiced to Contractor without evidence of the damage suffered.

10 RESCISSION

10.1 Contract violation

In the event of a serious breach of the Contract that Contractor is responsible for, Principal may rescind the Contract entirely or in part after granting a reasonable grace period (typically 14 days).

Principal may withdraw from the Contract even without granting a grace period if 1) Contractor had in fact sufficient time after being notified by Principal, even if Principal did not expressly grant a grace period or threaten to rescind the Contract; or 2) Principal has reason to believe prior to the contract date that Contractor is or will not be ready or able to fulfil essential contractual obligations in time.

Serious contract violations include delay of intermediate or final deadlines or defects that jeopardize fulfilment of Principal's contractual obligation vis-à-vis his contractual partners, even if such incidence may be punished with a contractual penalty.

In such cases Principal has the right to render the omitted or insufficient deliveries and services itself or have third parties do so at Contractor's expense (substitute performance). Principal may invoice relevant costs incurred either directly with a 30-day payment term after invoicing or deducting such expenses from Principal's next payment due to Contractor. Expenses may be set off with other purchase orders.

Contractor must repay amounts already paid by Principal for deliveries and services not yet performed plus interest incurred by Principal (4% above the discount rate of the German Central Bank on the day of rescission from the contract) and/or financing costs.

If it becomes necessary to take recourse to equipment or material, etc. that is located at Contractor's location or that of his sub-suppliers to execute a substitute performance, Contractor shall be obliged to handover such items. If exercising the right to execute a substitute performance requires to take recourse to property rights, documentation (such as blueprints, calculations) or other information, Contractor shall be obliged to grant Principal access to the required rights, documentation, information.

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10.2 Contractor's creditworthiness

In the event of insolvency or bankruptcy proceedings instituted against Contractor or if Contractor's ownership structure changes, Contractor agrees to immediately and comprehensively inform Principal accordingly. In such cases, Principal can immediately dispose of deliveries/services kept by Contractor and/or his sub-suppliers and/or immediately rescind the Contract entirely or in part.

10.3 Cancellation

The Principal is entitled to rescind the Contract entirely or in part even without any fault on Contractor's part. In such a case Principal agrees to pay Contractor the contractual price in proportion to the deliveries and services already rendered and to reimburse direct costs incurred for deliveries in progress or the cancellation of sub-orders. After Principal has declared to rescind the Contract, Contractor shall be obliged to make every effort to keep the costs to be compensated by Principal as low as possible.

10.4 Right of use

In the event that Principal rescinds the Contract, Principal shall be entitled to the free use of the item(s) ordered by Principal or the end user until acceptance of an alternative solution.

10.5 Suspension

Principal has the right to demand from Contractor at any time to suspend the further performance of the Order. In such a case, Contractor has to explain to Principal the resulting consequences in detail and to offer Principal the economically most feasible change of schedule. Contractor will not assert claims arising from suspensions for a duration of max. three (3) months.

11 SUB-CONTRACTORS

Contractor may engage sub-contractors only after prior written consent by Principal. Principal has the right to refuse sub-contracting without giving reason. Contractor shall be obliged to subject sub-contractors to all obligations entered for tasks assumed that Contractor has assumed vis-à-vis Principal.

Prior to subcontracting services to subcontractors, Contractor agrees to submit to Principal an auditing report to approve the subcontractor concerned. Principal's consent to subcontracting will not limit Contractor's obligations. Even in the event of subcontracting, Contractor will remain fully responsible vis-à-vis Principal for fulfilling the entire Purchase Order.

12 EXECUTION / SAFETY / QUALITY / MONITORING / ASSEMBLY

12.1 Execution, safety

The delivery must comply with the agreed specifications and adhere to generally accepted technical requirements as well as effective legal and administrative regulations and norms in force at the place of performance and with Principal's company rules and regulations. In particular, Contractor shall be obliged to comply with generally accepted safety-technology and accident prevention regulations and occupational health guidelines as well as product liability provisions. Machines and technical instruments are to be supplied together with a user manual and an EC Declaration of Conformity in accordance with the Machine Ordinance. Contractor should preferably supply CE-marked equipment. If the CE-marking has not been granted, Principal may request evidence of compliance with the above listed regulations. Any deviations from specifications and design modifications require Principal's written consent.

Contractor warrants that the plant/machine/equipment to be delivered is delivered complete and – if not expressly excluded – comprises all parts and devices required for proper assembly and smooth operation, irrespective of whether these parts are individually described or not in the list of supplies and services.

Contractor undertakes to verify that all information provided by Principal is complete and correct. Contractor confirms that all information required to comply with warranties is available to Contractor and that Contractor does not claim any additional terms and conditions. Information requested after the Order has been submitted and resulting consequences will be borne by Contractor.

12.2 Quality assurance (QS)

The Contractor shall be obliged and obliges his subcontractors to comply with quality assurance principles in accordance with the relevant standards EN ISO 9000 or 9001 when executing the Purchase Order. Principal and end user may at any time audit Contractor's QS system, QS regulations and QS plan and those of his subcontractors and the manufacturing site.

Contractor will work out a detailed test and inspection plan according to Principal's guidelines for the scope of delivery and the components contained therein and submit it for approval and to enter the checks Principal desires. Contractor undertakes to submit this test and inspection plan prior to commencing work and to process the Purchase Order accordingly. Irrespective of any other documentation deadlines, if any, Contractor must submit all technical and QS documents required for inspection at the given time to Principal in time. As regards the individual dates of the inspection sequence, Principal will be invited in writing to participate in the inspection at least two weeks prior to the specific inspection date. Principal reserves the right to take part in these inspections.

If due to Contractor's fault, an inspection or business trip needs to be repeated, Contractor will bear the costs incurred by Principal.

12.3 Inspections

Contractor grants Principal and his end users and agents the right to inspect the activities and operations required to execute the Order. To this end, Contractor agrees to grant Principal and the end user or their agents access to the relevant work rooms and documents at the Contractor's location and that of his subcontractors and to continually inform Principal about the actual progress and foreseeable delays.

Contractor shall be obliged to perform a complete inspection prior to the technical test performed by Principal and/or the end user or their agents and present detailed test results (test report, measurement reports, etc.) for the final test and to participate in it upon Principal's request. In order to perform proper and efficient inspections, Contractor will provide at his cost support services, material, interpreters, energy, suitable test facilities, testing equipment, experts and assistants.

Contractor undertakes to present plants/parts of plants, etc. for inspection, which are to be easily accessible from all sides, accident-proof or if not stipulated otherwise, to be in an unpainted and preassembled state. Conducting a test or abstaining from doing so on the part of the Principal shall not limit Contractor's obligations and does not constitute a waiver by Principal of his rights such as contractual penalties, damages, warranty claims, etc., even if a respective reservation will not be made.

12.4 Assembly

Contractor undertakes to render deliveries and services properly, expertly and in a timely manner according to the Purchase Order. If Principal provides the components to be assembled, Principal will also provide the assembly documentation.

Personnel employed by Contractor must be qualified, trained and experienced to meet the requirements of the Order, evidence of which must be furnished. Personnel that does not meet the requirements in Principal's opinion or that of the end user must be replaced immediately by Contractor by personnel having the required qualifications in accordance with the Purchase Order. Otherwise Principal has the right to find and employ suitable personnel at Contractor's expense. This, however, will not release Contractor from his contractual obligations, particularly his warranty obligations. Contractor will bear costs for such a replacement.

All assembly work is to be performed by workers having the required work and residence permits. Prior to the start of work, Contractor must present to Principal relevant work and residence permits if Contractor or his subcontractors employ workers that do not come from 1) an EU country (for construction sites situated in an EU country) or 2) the country where the construction site is situated (for construction sites located outside the EU).

Prior to commencing work, Contractor must also furnish proof to Principal that Contractor has all legally required permits and approvals for the country of use, particularly trade licences, permits, social insurances, etc.

In case of a breach of these provisions, Principal reserves all rights and claims, in particular the immediate rescission of the contract, claims for contractual penalties and damages, withholding payments and drawing on bank guarantees.

13 DOCUMENTATION

1. Such documents relate to design, construction, manufacture, quality control, risk potentials, safety regulations, shipping, transport, export, transit, import, customs clearance, taxation, identification of parts, logistics, storage assembly, start-up, training, accounting, billing, business management, repair, maintenance, spare part procurement, etc. and serve to help Contractor to fulfil his obligations vis-à-vis Principal and the end user and any authority, body or organisations involved in the performance of the Order in a timely and economical manner. Principal will be granted the right to use the documentation and, inter alia, be entitled to pass on any documentation received from Contractor or his subcontractors to other contracting partners in a modified or unchanged version.

2. The documentation must be provided in the language and quantity stated in the Purchase Order. If there is no detailed information available, the documentation must correspond to the business transaction at hand in terms of scope, quality and time requirements. If not otherwise agreed, goods are to be delivered duty paid (DDP) to the Contractor's place of business pursuant to the INCOTERMS 2010.

3. Documents required according to the Purchase Order must be transmitted to Principal for approval or submission to the end user. Comments returned to Contractor must be incorporated free of charge. Contractual obligations will not be restricted by such release.

4. For each component used a technical documentation must be provided that facilitates easy maintenance, repair of defects, reordering, etc. Planning and design drawings as well as operating and maintenance manuals (as well as any other document) are to be prepared in a uniform, understandable form specifying the name of the component, brand, type, manufacturer, country of origin. Based on the cover sheet/table of contents, a clear formal path (document number) must be established including insertion sheets, drawings and documents. Plans are to be folded in compliance with standards and reinforced with a stuck-on edge reinforcement. If catalogues or excerpts are to be used, the specific type must be marked.

5. If required in a specific case, the inspection documentation provided by Contractor will comprise reports about quality management, test reports, etc. as well as schedules and progress reports.

6. Assembly documentation: Documents facilitating proper and economical assembly need to be provided in accordance with the delivery schedule and actual delivery flow. Special tools to be used must be documented.

7. Contractor must comply with any special marking, certification and approval regulations applicable in the place where the plant will be erected for which Contractor's delivery is intended for, e.g. CE-marking. Principal will not accept goods that are not marked properly and/or not marked at all.

14 INTERNATIONAL DELIVERY

Contractor acknowledges that in many cases the shipment of any type of document and goods outside the country may require a permit, e.g. due to legal regulations. Contractor assures that the complete delivery of the ordered item is guaranteed at the time the order is placed and no official or other restrictions will prevent complete delivery. Contractor undertakes to ensure to check whether a permit is required in cases in which Contractor delivers his own documents or goods or Principal's documents or goods abroad and – if necessary – to obtain all required permits in due time and comply with all relevant legal regulations. After signing the Contract, Contractor will inform Principal in due time about any new export bans/restrictions and present alternatives in time at no charge. In the event of a violation of these provisions, Principal reserves the right to claim damages.

15 APPLICABLE LAW, JURISDICTION, CONTRACTUAL LANGUAGE

Principal's place of business is both the place of payment and the place of jurisdiction. Any disputes arising from the Purchase Order or relating to its violation, solution or invalidity will be ruled on pursuant to the Arbitration and Mediation Regulations of the Chamber of Industry and Commerce in Magdeburg, Germany, by one or several arbitrators appointed accordingly. Proceedings shall be governed by German substantive law, excluding the UN Convention on the International Sale of Goods of 1980. Venue of the court of arbitration shall be Magdeburg. The official language of the proceedings shall be the German language.

Principal reserves the right to assert claims against Contractor in ordinary legal proceedings pursuant to German substantive law, excluding the UN Convention on the International Sale of Goods of 1980.

Standard commercial terms and conditions are to be interpreted according to the INCOTERMS – ICC/Paris currently in force. The language of Contract shall be German.

16 PARTIAL INVALIDITY / SEVERABILITY

If any provision of these Terms and Conditions is held to be invalid, ineffective, illegal or unenforceable, the remaining provisions will remain in full force and effect. Principal and Contractor agree to substitute any invalid, ineffective, illegal or unenforceable provision upon the moment it becomes invalid, ineffective, illegal or unenforceable by a provision having the same economic effect.

17 OTHER PROVISIONS

17.1 Retention of title

Since the goods ordered by Principal are typically processed to be incorporated into Principal's goods and any retention of title ceases, all deliveries to the Principal must be carried out free of any such restrictions. If the order acceptance letter or the invoice include such reservations, they will be held invalid even without Principal's express objection.

17.2 Licences/permits to perform services, rights of use and property rights, rights of third parties

1. At the time of the submission of the offer or by signing the Contract, Contractor declares that he has obtained all licences/permits required to execute or perform the services and deliveries agreed, including in the country of use. If required in the country of use, Contractor will be responsible for registering his company pursuant to the applicable commercial and tax law. Contractor shall bear all costs incurred in this connection.

2. Contractor shall be liable that no property rights of third parties and copyrights are violated as a result of the delivery and use of the delivered items and services or that no existing boycott clauses, blacklists, etc. are infringed. If allegations of such adverse effects or violations arise, Contractor agrees to hold Principal and/or the end user without limitations harmless from and against claims by any third party and to ensure that Principal and/or the end user can use the ordered item without any restrictions or offer Principal and the end user other acceptable alternatives at no charge.

3. Contractor needs to inform Principal immediately about any infringement of third party rights as well as about boycotts, blacklists, etc., even if they become known at a later point in time.

17.3 Subsequent orders

To protect Principal's know-how acquired by Contractor in connection with the Order and to ensure the optimal operation of the entire plant, including after the end of the warranty period, Principal will grant Contractor customer protection for a period of 10 years for any subsequent orders placed by the customer/end user or his agents in relation to the entire plant delivered by Principal. Contractor agrees to submit no direct or indirect offers to the end user, e.g. for spare parts and consumables without consulting the Principal as a sales partner.

17.4 Confidentiality

Contractor may not disclose to the public nor use for advertising or any other purposes the substance of the Purchase Order, the business transaction and any information obtained from the Principal and further developed by Contractor on the basis thereof without Principal's written consent. In particular, engineering documents provided by Principal and Contractor's documentation must be kept in strict confidence and must be used exclusively for processing the Order. Persons gaining knowledge of information and documents are to be subjected to confidentiality obligations. In the event of a breach of confidentiality, Contractor shall be obliged to hold Principal harmless from and against any claims asserted by any third party.

Taking photographs, making films or videos on the construction site / premises requires Principal's and the end user's written consent.