

General Terms and Conditions of Delivery and Assembly of HNP Anlagenbau & Industrie-Montagen GmbH; 84405 Dorfen

I. General

1. All deliveries and services performed by HNP Anlagenbau und Industrie-Montagen GmbH (hereinafter referred to as "HNA") are subject to these terms and conditions as well as any separate provisions. Different purchase terms and conditions of the ordering party do not become subject terms of this contract even through the acceptance of an order. A contract is made – in the absence of separate provisions – through the written order confirmation by HNA.
2. HNA reserves property and copy rights of all samples, estimates, drawings, project plans and similar information of material and immaterial kind – also in electronic form; they can only be made available to a third party with prior consent by HNA and are, if no order is placed with HNA, to be returned upon request. HNA agrees to only make available to third parties information and documents which have been identified as confidential by the ordering party with prior consent of the ordering party.

II. Prices, Terms of Payment and Off-setting

1. Prices are, in the absence of separate provisions, ex works exclusive of packing and unloading plus respective sales tax.
2. If HNA carries out the installation and assembly, and no separate agreement has been made, the ordering party pays for all necessary additional costs such as travel and transportation costs as well as releases in addition to the stipulated payment.
3. Payments are due within 14 days from date of invoice without deductions to HNA's bank account unless otherwise agreed.
4. The ordering party has the right to withhold payments or offset payment only if the counterclaims are undisputed or have been legally recognized.

III. Retention of Title

1. The goods delivered remain property of HNA until all claims of the contractual agreement have been satisfied by the ordering party.
2. During the existence of the retention of title, the ordering party is prohibited from pledging the goods or transferring them by way of security and is only entitled to resell them in the ordinary course of business subject to the condition that the ordering party receives payment from its customer or makes the reservation that the title shall only pass when the customer has settled its payment obligations.
3. In the event of attachment, confiscation or other orders or interventions by a third party, the ordering party must notify HNA immediately.
4. In the event of a breach of contract by the ordering party, particularly in the case of default of payment, HNA shall be entitled, after the ineffective expiration of a reasonable additional payment period granted to the ordering party, to demand return of the goods and to rescind the contract; the legal terms for a dispensability of a deadline are excluded. The ordering party is obligated to return the goods. The redemption of goods or the exercise of the retention of title or the attachment of the reserved goods by HNA shall not be considered a rescission of contract unless explicitly stated by HNA.
5. The application for the opening of insolvency proceedings entitles HNA to rescind the contract and demand the immediate return of the item of delivery.

IV. Delivery and Service Deadlines; Delay

1. The deadline for delivery or service is a result of the agreements made by the contracting parties. The deadline set for deliveries can only be observed if all commercial and technical questions between the contracting parties have been clarified and the ordering party has fulfilled all incumbent responsibilities such as providing all necessary documents which are to be supplied by the ordering party (especially plans), supplying required official documents and permits, or has made a down payment. Unless

these conditions are fulfilled, deadlines set for delivery and service shall be appropriately extended. This does not apply if HNA is responsible for the delay.

2. If non-observance of the deadlines set for delivery or service is due to force majeure, labor disputes or other events outside of HNA's sphere of influence the deadline for delivery or service is extended accordingly. HNA shall notify the ordering party regarding the beginning and end of such events in a timely manner. The same is true if HNA does not receive supplies on time or adequately.
3. The delivery or service deadline is met if the delivery item has left HNA's plant by the end of the deadline or if the readiness for shipping has been signaled. If there needs to be a take-over – except in the case of justifiable refusal of acceptance of goods – the take-over date is decisive, alternatively the notice of readiness for take-over.
4. If HNA is responsible for the delay, and the ordering party credibly suffered a loss as a result, the ordering party can claim a compensation of 0.5% for every completed week of delay, but no more than a total of 5% of the price of that part of the delivery or service which could not be put to the intended use due to the delay.
5. Both claims for damages of the ordering party because of a delay of a delivery or service as well as claims for damages in lieu of service exceeding the limits specified in No. 4, shall be excluded in all cases of delayed delivery or service even upon expiry of any deadline set to HNA. This shall not apply in cases of mandatory liability based on intent, gross negligence, or due to injury of life, body or health. Cancellation of the contract by the ordering party based on statute shall be limited to cases where HNA is responsible for the delay in delivery or service. The above provisions do not imply a change in the burden of proof to the detriment of the ordering party.

V. Transfer of Risks, Take-over

1. The risk shall pass to the ordering party at the moment the delivery item leaves the plant, also in the case of partial deliveries or if HNA has agreed to carry out additional services such as shipping costs or delivery and installation / assembly. If there needs to be a take-over, this shall be decisive for the transfer of risks. It must be carried out immediately at the date of take-over, alternatively after HNA's notice of readiness for take-over. The ordering party shall not refuse goods due to minor defects.
2. The risk shall pass to the ordering party if dispatch, delivery, the start and the performance of installation or assembly, the taking-over into the ordering party's company or the trial run is delayed for reasons for which the ordering party is responsible or if the ordering party has otherwise failed to accept the goods.
3. Partial deliveries / partial services are permitted as long as they are reasonably acceptable for the ordering party.

VI. Installation and Assembly

Installation and assembly are subject to the following terms and conditions unless otherwise agreed in writing:

1. The ordering party has to carry out or provide in a timely manner and at its own expense:
 - a) all earth and construction work as well as ancillary work outside the scope of the supplier including the necessary skilled and unskilled laborers, materials and tools,
 - b) the equipment and materials necessary for the assembly and commissioning of operations such as scaffolding, lifting devices, and other equipment, as well as fuel and lubricants,
 - c) energy and water at the point of use including connections, heating and lighting
 - d) suitable, dry and lockable rooms of suitable size adjacent to the site for the storage of machine parts,

apparatus, materials, tools, etc. and adequate working and recreation rooms for assembly personnel including sanitary facilities as are appropriate in the specific circumstances; in addition, the ordering party shall take all measures it would normally take to protect its own property to protect HNA's property and the property of the assembly personnel at the building site,

- e) protective clothing and protective devices needed due to particular conditions prevailing at the assembly site
2. Before commencement of assembly work, the ordering party shall make available at its own accord all necessary information about the location of hidden electric, gas and water lines or similar lines as well as the necessary structural data.
3. Prior to installation or assembly, the materials and equipment necessary for the work to start must be available on the site of installation or assembly and all preparatory work must have advanced to such a degree that the installation or assembly can start as agreed and can be carried out without interruption. Access roads as well as the installation or assembly site must be level and clear.
4. If installation, assembly or commissioning is delayed due to circumstances which HNA is not responsible for, the ordering party shall bear the reasonable costs incurred for the waiting period and the additional traveling of HNA or the assembly personnel.
5. If, after completion, HNA demands the acceptance of delivery or service, the ordering party shall comply within two weeks. In default thereof, acceptance is deemed to have taken place. Acceptance is also deemed to have taken place if the delivery or service has been put to use – after completion of an agreed test phase, if applicable.

VII. Defects as to Quality

1. All parts or services which show a defect shall, at the discretion of HNA, be repaired, replaced or provided again free of charge provided the defect existed at the passing of the transfer of risk. Replaced parts become HNA's property.
2. Claims for supplementary performance are subject to a limitation period of 12 months beginning with the legal start of limitation; the same is true for rescission and price reduction. This provision shall not apply where longer periods are prescribed by law, in cases of intent, fraudulent concealment of the defect as well as noncompliance with a guarantee as to condition ("*Beschaffheitsgarantie*"). The legal provisions regarding expiry suspension, suspension and restart of limitation periods remain unaffected.
3. The ordering party shall give notification of defects immediately and in writing.
4. In the case of notification of a defect, the ordering party may withhold payment to a reasonable extent taking into account the defect occurred. The ordering party may withhold payment only if the subject matter of the notification of the defect occurred is proven beyond doubt. The ordering party has no right of detention if its defect claims have become time-barred. Unjustified notifications of defect shall entitle HNA to have its incurred expenses reimbursed by the ordering party.
5. HNA shall be given the opportunity for supplementary performance within a reasonable time period. If not given this opportunity, HNA shall be exempt from liability for the resulting consequences. Only in urgent cases where the operational safety is jeopardized or in order to prevent disproportionately large damage shall the ordering party have the right to remedy the defect itself or with the help of a third party and to demand reimbursement for the necessary expenses from HNA. HNA must be notified of these cases immediately.
6. If the supplementary performance is unsuccessful, the ordering party shall be entitled to cancel the contract or to reduce the remuneration – irrespective of any claims for damages they may have according to No. 9.
7. There shall be no claims based on defect in cases of insignificant deviations from the agreed quality, of only minor impairment of usefulness, of natural wear and tear or damage arising after the transfer of risk from faulty or negligent handling, excessive strain, unsuitable equipment, insufficient workmanship, inappropriate building ground or from particular external influences not assumed under the contract. Claims based on defects attributable to improper modifications or re-

pair work carried out by the ordering party or a third party and the resulting consequences shall be likewise excluded. The same is true for modifications of the delivery or service item which have been carried out without HNA's prior consent.

8. The ordering party shall have no claim with respect to expenses incurred in the course of supplementary performance, especially costs of travel and transport, labor, and material as far as the expenses increase because the item of delivery or service has subsequently been brought to a location other than the branch office of the ordering party, unless doing so complies with the intended use of the item.
9. Claims for damages of the ordering party due to a defect as to quality are excluded. This provision shall not apply in cases of fraudulent concealment of the defect, noncompliance with a guarantee as to condition ("*Beschaffheitsgarantie*"), injury of life, body, health or freedom, and a deliberate or grossly negligent breach of duty by HNA. The above provision does not imply a change in the burden of proof to the detriment of the ordering party. Additional claims and claims which are not governed by this Article VII which the ordering party might have due to a defect as to quality are excluded.

VIII. Other Claims for Damages, Limitation

1. Any claims for damages the ordering party may have, based on whatever legal reason, especially due to infringement of duties arising from the contractual obligation and from tortious act are excluded.
2. The above shall not apply in the case of mandatory liability, e.g. under the German Product Liability Act ("*Produkthaftungsgesetz*"), in the case of intent, gross negligence, injury of life, body or health, or breach of essential contractual obligations ("*wesentliche Vertragspflichten*"). However, claims for damages arising from a breach of essential contractual obligations shall be limited to a damage which is foreseeable and typical of this kind of contract, unless caused by intent or gross negligence or based on liability for injury of life, body and health. The above provision does not imply a change in the burden of proof to the detriment of the ordering party.
3. To the extent that the ordering party has a valid claim for damages, it shall be time-barred upon expiration of the limitation period pursuant to Article VII No. 2. The same is true for claims of the ordering party in connection with measures for damage prevention (e.g. product recall). In the case of claims for damages under the German Product Liability Act, the statutory provisions governing limitation periods shall apply.

IX. Place of Jurisdiction, Applicable Law, Miscellaneous

1. The exclusive place of jurisdiction for all disputes directly or indirectly resulting from this contract shall be the place of the registered office of HNA as long as the ordering party is a registered merchant. In addition, HNA shall also be entitled to file a suit at the place of the registered office of the ordering party.
2. The legal relations in connection with this contract are governed by German substantive law excluding the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
3. If any individual provisions of this contract should become ineffective, this contract's remaining provisions are still binding. This is not the case if adherence to the contract constitutes undue hardship for any of the parties.