

General Conditions of Purchase

HNA Anlagenbau & Industrie-Montagen GmbH; 84405 Dorfen

I. General, Scope

1. These General Conditions of Purchase of HNA Anlagenbau & Industrie-Montagen GmbH (hereinafter referred to as "HNA") apply exclusively; the supplying party's terms and conditions conflicting with or deviating from our Conditions of Purchase are not recognized without our explicit written consent. Our Conditions of Purchase shall also apply if we accept the supplying party's delivery without reservations while being fully aware of the conditions of the supplying party which conflict with or deviate from our Conditions of Purchase.
2. All agreements made between the supplying party and us for the purpose of the execution of the respective contractual relationship shall be set out in writing in this contract.
3. Our Conditions of Purchase shall only apply to registered merchants.
4. Our Conditions of Purchase shall also apply to all future business with the supplying party.

II. Offer, Offer Documents

1. Offers must correspond to our inquiry. They are to be free of charge for us and non-binding. Orders shall only be binding if placed in writing and confirmed by us. The same applies to additional declarations.
2. The supplying party is obligated to accept our order within 2 weeks with a written confirmation.
3. Goods and services not contained in the order do not constitute a pecuniary claim of the supplying party.
4. We reserve property rights and copy rights to all samples, illustrations, models, drawings, calculations, project plans and similar documents of material and immaterial kind – also in electronic form - provided by us; they may only be disclosed to a third party with HNA's prior consent and are to be returned upon request if HNA does not place an order or after the delivery or service is completed. HNA shall not disclose to a third party information and documents designated by the supplying party as confidential without the supplying party's consent.

III. Prices, Conditions of Payment

1. The price shown in the order shall be binding. In the absence of a differing written agreement, the price shall include delivery or service "delivered free". The price shall include all expenses incurred by the supplying party to fulfill its delivery or performance obligations at the agreed place of delivery or service including packaging and shipping.
2. Prices do not include the respective effectual VAT (value added tax).
3. Invoices can only be processed by us if they - in compliance with the requirements of our order – show the order number specified within; the supplying party shall be responsible for all consequences of non-fulfillment of this obligation.
4. Unless otherwise agreed upon in writing, we shall pay the purchase price with a 3% discount within 14 days of delivery or service and receipt of invoice or net within 30 days of receipt of invoice. Payment will be made under reserve of invoice verification.
5. We are entitled to the rights to set-off and the rights of retention to the extent of the law.

IV. Delivery Period, Force Majeure

1. The delivery or service period stated in the order is binding.
2. Compliance with the delivery or service period shall be determined by the receipt of goods at the place of reception specified by us or the timeliness of the successful take-over.
3. The supplying party shall be obligated to immediately notify us

in writing if any circumstances occur or become known to the supplying party which indicate that the required delivery or service period cannot be met.

4. If the supplying party defaults on delivery or service we shall be entitled to full statutory claims. In particular, after an adequate grace period has expired, we shall be entitled to claims for damages in place of the goods or services and to rescind the contract. A grace period does not have to be granted if the delivery or service period is "fixed" or if the supplying party declares not to be able to deliver even within the grace period.
5. If the supplying party delays in delivery or service it shall incur a contractual penalty of 0.5% for each business day after the missed deadline, totaling not more than 10% of the amount of the order for the goods or services which the supplying party is in default of. This shall not affect additional claims to damages caused by delay; the contractual penalty, however, is to offset any claims to damages caused by delay.
6. The supplying party can only cite non-submission of necessary documents to be delivered by us if it has reminded us in writing to send the documents and has not received them within a reasonable time period.
7. Neither of the contractual parties shall be responsible for the non-performance of their contractual duties if the non-performance is due to force majeure such as war, natural disasters, fire, flooding, explosion, earthquake, unrests and official measures. The supplying party can only successfully plead a case of force majeure if it has notified us in writing of the case of force majeure at least 24 hours before the stipulated delivery or service period and has thereupon provided concrete and detailed evidence for it.

V. Installation and Assembly

1. Out of consideration for our company, our client's company and other projects, the start and execution of installation or assembly must be coordinated with our site manager.
2. The supplying party's personnel shall be subject to regulations applicable to the installation or assembly site.
3. The supplying party shall be exclusively responsible for compliance with all specific regulations of the assembly site – particularly of assembly sites abroad – for the assignment of its employees (such as obtaining necessary registrations or respective permits; complying with labor, social security and tax laws and regulations as well as any official ordinances, ...).
4. For good cause, we shall be entitled to refuse the assignment of certain personnel; this must be explained in writing in given cases. These workers must then be replaced by different personnel.
5. A change in the supplying party's installation management shall only be permitted for good cause and upon our agreement.
6. Timework paid by the hour during installation, assembly, commissioning or a test run shall only be performed with our explicit consent and after an hourly rate and potential additional expenses have been agreed upon in writing. In the absence of a written agreement we shall be entitled to refuse payment or determine the amount of pay and additional costs ourselves.
7. Timesheets which have been approved by our site management must be submitted to us, at the latest, together with the respective invoice. Payment shall be made exclusively on the basis of documents acknowledged by our site management.

VI. Transfer of Risk, Documents

1. Unless otherwise agreed upon in writing, the delivery or service shall be "delivered free". Shipment shall be at the



supplying party's risk. If requested by us in writing, the supplying party shall be obligated to take out a respective shipping insurance.

2. If a take-over is required, this shall be decisive for the transfer of risk.
3. The supplying party shall be obligated to indicate our exact order number on all shipping documents, delivery notes and additional documents pertaining to this contractual agreement; if the supplying party fails to do so, delays in processing cannot be avoided and we shall not be responsible for them.

VII. Quality, Inspection for Defects, Warranty, Claims / Rights

1. The deliveries and services must in every respect be in accordance with our order specifications, generally accepted technical standards, the stipulations of a contract, the standardized and generally accepted quality characteristics as well as regulations regarding safety, occupational health and safety, accident prevention, as well as additional regulations.
2. We shall be obligated to inspect the goods or the performed service for possible quality or quantity deviations within an appropriate time period; the reprimand is considered on time if it is received by the supplying party within 8 business days.
3. We shall be entitled to unlimited statutory claims for defects; irrespective of this, we shall be generally entitled to demand a remedy of defects or a replacement of the delivery or service at our discretion. In this case, the supplying party shall be obligated to pay all expenses necessary for the remedy of defects or the replacement delivery or service. The right to damages, particularly damages in lieu of performance remain explicitly reserved.
4. We shall be entitled to remedy defects ourselves at the supplying party's expense in the case of imminent danger or urgency.
5. The warranty period is 12 months after the transfer of risk (handover of the delivery to us or documented take-over of the contractually performed service).

VIII. Retention of Title, Provision, Assembly Equipment

1. We reserve title to any parts we provide to the supplying party. Processing or alteration by the supplying party shall be performed on our behalf. If our reserved goods are processed together with items not belonging to us, we require joint ownership of the new item in relation of the value of our item to the other combined items at the time of processing.
2. If the item provided by us is inseparably combined with other items not belonging to us, we require joint ownership of the new item in relation of the value of the reserved goods to the other blended items at the time of blending. If the items are blended in such a way that the supplying party's item must be regarded as the main item, it is agreed that the supplying party proportionally transfers joint ownership to us; the supplying party holds exclusive ownership or joint ownership in safe keeping for us.
3. We reserve the title to tools, assembly equipment and building site facilities provided by us; the supplying party shall be obligated to use the tools, assembly equipment and building site facilities exclusively for the production of the goods or the performance of the services ordered by us. It shall be obligated to perform any necessary maintenance and inspection work at its own expense and in a timely manner. The supplying party must notify us immediately of any breakdowns; if it culpably fails to do so, claims for damages shall remain unaffected.

IX. Nondisclosure

1. The supplying party is obligated to keep all samples, illustrations, drawings, calculations, project plans and similar documents of material and immaterial kind – also in electronic form - strictly confidential. They may only be disclosed to a third party with our explicit consent.
2. The nondisclosure obligation is to remain in force even after

these contractual relations have ended; it will expire when and in so far as the knowledge contained in the provided documents and information has become general knowledge. The supplying party shall impose the same obligations on subcontractors.

X. Place of Jurisdiction, Applicable Law, Miscellaneous

1. The exclusive place of jurisdiction shall be the place of our registered office as long as the supplying party is a registered merchant; in addition, we shall also be entitled to file a suit at the place of the registered office of the supplying party.
2. The place of performance for the delivery or service shall be the place of receipt specified by us in our order. If a place of receipt is not known, our registered office shall be the place of performance.
3. 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).
4. 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.