

General terms and conditions of purchase



1. General

- 1.1 Any terms and conditions stipulated by Supplier and divergent from or supplementary to these Terms and Conditions of Purchase will not be binding upon Purchaser, even if not expressly objected to or in cases where Supplier stipulates his terms and conditions as the exclusive basis for delivery.
- 1.2 Orders and their acceptance, as well as any additions or amendments thereto require to be made in writing. Verbal subsidiary agreements or subsequent contract amendments will not be binding unless confirmed in writing by Purchaser
- 1.3 Supplier's failure to accept the order within 14 days will entitle Purchaser to cancellation.
- 1.4 Without first obtaining Purchaser's written approval, Supplier may not fully delegate or subcontract to a third party any of the goods or services ordered hereunder.
- 1.5 The expenses involved in the insurance of any goods, especially in any forwarding agent's insurance, will not be borne by Purchaser; it is prohibited to have any forwarding agent's cartage insurance certificate ("SVS/RVS") issued for the transportation on the territory of the Federal Republic of Germany.

2. Delivery date and place of performance

- 2.1 The agreed delivery date will be binding. Any early delivery will require Purchaser's consent. Deliveries not involving installation or erections are considered timely when received in due course at the delivery address indicated by Purchaser, while those requiring installation or erections as well as services purchased, will be deemed made or rendered timely when provided ready for acceptance.
- 2.2 Upon Supplier's default, Purchaser is entitled to claim a contractual penalty of 0.5% of the order value for each week of delay or fraction thereof, up to an aggregate maximum of 5% of the order value.
Purchaser may claim such penalty if Purchaser has reserved the right to do so within one month after acceptance of the final part of any goods or services to be provided under the order.
- 2.3 Place of performance with respect to goods or services provided by Supplier shall be the delivery address specified in the underlying order. Where no delivery address is specified and if the place of performance does not result from the nature of the obligatory relation, Purchaser's address shall be deemed the place of performance.

3. Shipment and pricing

- 3.1 Goods to be delivered hereunder shall be duly and properly packed and shipped. Pack(aging) and shipping specification shall be adhered to.
Each consignment shall be accompanied by delivery slips or packing notes. All pertinent documents shall indicate the order numbers and other Purchaser data specified in the order. On or before dispatch, Purchaser shall be provided with a shipping advice.
Any additional charges attributable to non-compliance with said instructions and specifications shall be borne by Supplier.
- 3.2 Prices shall be based free place of performance.

4. Invoicing, payment, no assignment

- 4.1 Invoices shall reflect the order number and other identification data specified in the order.
- 4.2 Payment will be made on the terms and conditions set forth in the order. Cash discount may be deducted even where Purchaser offsets or withholds certain sums due to faults or defects.
- 4.3 Supplier shall not be entitled, without first obtaining Purchaser's written approval, to assign, or collected through a third party, any account receivable from Purchaser. This provision will not apply to the extended reservation of ownership.

5. Warranty

- 5.1 Supplier represents and warrants that the goods and services delivered hereunder will be and remain free from faults and defects for a period of 18 months from the date the risk has passed, unless law or contract provide for a longer period.
- 5.2 The statutory term of limitation shall commence at the date a fault or defect is detected or identified, in respect of structures or buildings, at the date of their acceptance. A notification of fault or defect will suspend the period of limitation.
- 5.3 Any fault or defect shall promptly be communicated to Supplier in writing as and when detected or identified in the course of ordinary day-to-day business.
- 5.4 Without prejudice to any warranty claims under law, Purchaser has the right to have faults or defects remedied or corrected, or to demand replacement. All and any expenses incurred (whether by Purchaser or otherwise) in connection with the detection, identification, remedy and correction of such faults/defects shall be for Supplier's account.
The same provision shall apply to the extent that expenses are increased by the fact that the goods to be delivered are transported to any place other than that of performance and Supplier has known such fact when signing the Contract.
When and if defaulting delivery, failing or denying to subsequently eliminate or correct faults or defects, Purchaser shall additionally have the right to proceed thereto on Supplier's behalf, all at Supplier's cost and expense. Purchaser may deem the repair or remedy of a fault or defect to have failed where unsuccessful at the first attempt. In urgent cases, Purchaser shall have the right, at Supplier's cost and expense which Supplier thus saved, to proceed to the elimination of any faults or defects.
- 5.5 For any remedy, correction or replacement under the warranty, the warranty period shall be 12 months from the date the warranty obligation has been, performed or after expiration of the warranty period applicable to the original goods or services, whichever is later.
- 5.6 If AEG IE is contractor for supplies from a factory this supplier will enter into duties of AEG and will make available transferable bank guarantees to AEG and its bank.

6. Duty of instruction, information and care

- 6.1 Provided that Purchaser has informed Supplier about the intended use of the goods or services or that such use is apparent to Supplier even without any express mention, Supplier is obligated forthwith to inform Purchaser if Supplier's goods or services are not suitable for such intended use.
- 6.2 Any circumstances jeopardizing compliance with agreed delivery dates shall promptly be communicated to Purchaser in writing to agree on further action.
- 6.3 Supplier shall duly notify Purchaser in writing of any changes or modifications with respect to the composition of materials used or the underlying engineering design if different from similar or comparable goods or services previously provided by Supplier for Purchaser. Any such changes or modifications shall require Purchaser's written consent.
- 6.4 Supplier shall ensure that the goods and services will conform with all applicable

environmental protection, accident-prevention and other industrial safety regulations, as well as with generally accepted safety and occupational health provisions, which are current and in effect in the Federal Republic of Germany. For each shipment, Supplier shall advise Purchaser of any specific treatment and waste disposal requirements unless generally known.

7. Provision of materials or products

- 7.1 Materials or products of any kind whatsoever provided by Purchaser to Supplier shall remain Purchaser's property and be exclusively used in or for the performance of the goods or services ordered hereunder.
- 7.2 Supplier is obligated, at his own cost and expense, to perform any maintenance and inspection work as needed and to adequately insure the items provided by, and to substantiate this on request to Purchaser.
- 7.3 To the extent that any of the items provided by Purchaser are processed, converted or transformed by Supplier to form a new movable product, Purchaser shall be deemed such product's manufacturer. If combined with or inseparably integrated in other objects, Purchaser shall acquire joint title and ownership in said objects in the ratio of the value the provided items had at the time of combination or integration. If combined or integrated in such manner that Supplier's property is to be regarded as the primary products, it is understood and agreed that Supplier assigns and transfers to Purchaser prorated interest in and joint title to such products; Supplier shall hold the products subject to joint ownership in trust on Purchaser's behalf.

8. Confidentiality and secrecy

- 8.1 Supplier undertakes and agrees to keep secret and confidential, as well as to exclusively use for the goods or services ordered, any such commercial or technical information and documents as are not known to the general public and which have been disclosed under the business relationship. Subcontractors or other vendors shall be committed hereto analogously.
- 8.2 Any mention by Supplier of Purchaser's firm, corporate name or trademarks in references, credentials or publications shall require Purchaser's prior written consent.

9. Parts and their availability

- 9.1 Supplier is obligated to supply and deliver, an reasonable conditions, the parts required for a period equivalent to the anticipated technical service life or for 10 years after the last delivery, whichever is longer.
- 9.2 In the event that Supplier discontinues, after expiration of the period mentioned in clause 9.1 hereof, the delivery of the parts, or, during said period, the manufacture of any of the goods ordered, Purchaser shall be offered the opportunity to place a final order.

10. Place of jurisdiction, applicable law

- 10.1 If Supplier is a merchant or entity registered in the Commercial Register and subject to all provisions of the German Commercial Code, exclusive place of jurisdiction shall be Berlin, Germany. This provision shall also apply to any action for assertion of claims concerning payment of a check, draft or note / bill of exchange. However, Purchaser has also the right to bring an action before any court of law of competent jurisdiction.
- 10.2 This contract shall be governed by the laws of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods of 11th April 1980 shall not apply.

This document has been translated, and in the event of any conflict original German text shall prevail.

AEG Industrial Engineering GmbH

Effective as from 1st of Jan 2005