

General Conditions for Erection and Installation

(Start-Up and Repair Works)

1. Scope / Definition

The General Conditions for Erection and Installation shall apply for all erection and installation work which is executed outside the Seller's works on request of the Buyer.

Different conditions of the Buyer shall only be binding for the Seller, if he has expressly stated his agreement in writing.

Erection and installation work mean all activities relating to erection, installation and start-up as well as repair works.

2. Costs

The costs for erection and installation shall be borne by the Buyer.

3. Conditions of Payment

- 3.1. Unless otherwise agreed the fitting costs are to be paid latest two weeks after receipt of the invoice without deductions by bank transfer.

In case of fitting jobs covering a longer period of time partial invoices will be issued.

Retention of payments or setting off against Buyer's counterclaims, which are not accepted by the Seller, is not permissible.

- 3.2. Seller's Bank Accounts

All payments from Buyer to Seller shall be paid to one of Seller's bank accounts as stated below:

UniCredit Bank AG (Currency EUR)
IBAN DE06710221820003668622;
SWIFT/BIC HYVEDEMMXXX

Commerzbank AG (Currency EUR)
IBAN DE18711400410611118100;
SWIFT/BIC COBADEFFXXX

HSBC Trinkaus & Burkhardt AG (Currency EUR)
IBAN DE19300308800700449009;
SWIFT/BIC TUBDDEDD

HSBC Trinkaus & Burkhardt AG (Currency USD)
IBAN DE71300308804700449004;
SWIFT/BIC TUBDDEDD

Advance Payment and/or Performance Guarantees issued from Seller's bank in favour of the Buyer:

Buyer's payments under Advance Payment and/or Performance Guarantees issued by Seller's bank shall be transferred to the bank account as defined in respective Guarantees.

4. Working Time and Payment

- 4.1. The normal working time shall amount to 40 hours per week and shall be distributed over the week days Monday to Friday inclusive with 8 hours each.

The Seller's personnel is directed to adapt to the Buyer's normal working hours basically,

however, they are free in making their arrangements.

- 4.2. The Buyer shall confirm the time worked by the Seller's personnel on the form presented to him by the Seller's personnel through his signature each week.
Furthermore the Buyer shall certify the work carried out by the Seller's personnel through these signed fitting hours slips by the end of each calendar month at the latest.
Advance payments made by the Buyer to the Seller's personnel are to be entered in these fitting hours slips.
The fitting hours slips will be the basis for the calculation of the charges for the work carried out. The invoice will be made out by the Seller on a monthly basis.
- 4.3. In the case of fitting jobs the travelling time required per day to get to or return from the erection site shall, as far as it is in excess of 30 minutes for each journey, be charged at the agreed normal hourly rate, but without extra pay for overtime.
Also calculated as working time shall be the waiting time as well as any time required for finding rooms or possible registration with authorities so far as this entails lost working hours.
In case the Seller's personnel is unable to work full working time without fault of its own, the daily working time listed under 4.1 shall at least be charged.
- 4.4. The regular pay for each working hour on a work day within the normal working time shall be:
- a) for mechanics € 95,- per hour/man
 - b) for engineers € 136,- per hour/man
 - c) for process/software engineers € 149,- per hour/man
 - d) for senior experts € 159,- per hour/man
- 4.5. Overtime shall only be worked on the initiative of the Buyer if necessary and agreed upon by the Seller.
- 4.6. For overtime as well as night, Sunday and holiday work, the percentages listed in the following shall be added to the hourly rates agreed upon in the above:
- a) for overtime from the 9th hour on working days Saturday work and for night hours (from 8 p. m. to 6 a. m.) 50%
 - b) for work on Sundays and public holidays in the Buyer's country 100%
- 4.7. Travelling time shall count as normal work time.
For travel time on Saturday or Sunday 25% shall be added to the regular hourly rate.
- 4.8. Possible taxes and similar expenses arising at the erection site in the foreign country on account of the fitting activities, especially for fitting wages or redemptions, shall be borne by the Buyer.
- 4.9. For any work which is especially difficult, dirty or to be carried out under especially hard or dangerous circumstances, additional payment is to be effected; the amount of which shall be agreed upon between the Buyer and the Seller.

- 4.10. **Redemption**
The redemption for each day of absence from the Seller's works shall amount to € (country-specific) per day/man.
This rate is determined by the federal tax authorities and may be subject to change.
Daily redemption shall also be paid for Sundays and holidays and for travelling days, as well as for travelling days for home journeys.
- If according to express agreement with the Seller, the travelling-day redemption is not to be paid directly to the Seller's personnel, there shall be a separate charge by the Seller.
Redemption shall also be paid for the duration of inability to work caused by illness or accident as long as the Seller's personnel is at the erection site.
The redemption shall be reduced to 50% for all days on which the Seller's personnel is not at the erection site at the Seller's order and the lodgings must be maintained; the same applies for days of leave or home journey if the lodgings at the erection site must be kept during this time.
Should the above mentioned amount prove to be insufficient for a reasonable living and for the granting of a reasonable pocket money, reasonably higher rates shall be charged.
- 4.11. **Change in Wages**
The above listed agreed upon rates are valid as of January 2018.
- In case of future orders, however, the Seller reserves the right of adjusting these rates according to the rates valid at the time the order is placed.
- If there is a change in the agreed upon rates for charges during the time of erection and installation on account of changes in tariffs in the Seller's country, the listed fitting rates shall be altered accordingly as of the day the changed regulations became effective.
- 4.12. **Travel Expenses**
- 4.12.1. The travel expenses of the Seller's personnel for the use of public means of transportation (aeroplane / tourist class, railway / second class incl. possible additional fares also for sleeper or pullman, bus, train, etc.) shall be charged to the Buyer. For engineers the train fare for first class, with air travel the fare for tourist class, shall be charged.
In case the Seller's personnel uses its own means of transportation (cars) € 0,50 /km shall be charged. If at the same time further personnel or tools or spare parts are transported by car, the same charges shall apply.
- This regulation applies also for journeys from lodging to the site and back.
Travel expenses will be settled on the basis of vouchers (tickets, flight tickets, etc.).
- In case of flights a flat fee of € 280,- for the transfer to the airport and back will be charged. Exceptional arrangements whereby fitters (or engineers in case of flights) are allowed to use the first class on trains and flights require an express agreement.
- 4.12.2. Travel expenses are also the costs for home journeys during the time of erection and installation.
- 4.12.3. Furthermore, the Seller shall invoice all visa and vaccination fees, costs for transporting and depositing luggage and tools arising in connection with erection and installation, as well as all expenses for postage, telegrams, telephone calls, etc. incurred in the interest of the fitting activities.
- 4.12.4. Starting point and return destination shall be Siegsdorf.
- 4.13. **Lodging**
- The accommodation expenses for the Seller's personnel shall be borne by the Buyer.
- Payment of such expenses shall be made by the Buyer
- a) either directly to the hotel against invoice;
b) or to the Seller's personnel against hotel bill;
c) or against the Seller's invoice on the basis of hotel bills;
d) or through provision of free accommodation (European hotel standard, single room, shower/bathroom and W.C.)
- The selection of such accommodation shall be made with the Seller's supervising personnel.
- 4.14. **Home Journey**
- For fitting jobs within Europe fitters shall be entitled to a home journey after 8 weeks of uninterrupted employment at the erection site if the erection site lies at least 150 km from the fitter's home residence and if no other written agreements have expressly been made. For Seller's jobs outside of Europe special agreements shall be made for the individual cases.
- 5. Cooperation of Buyer**
- 5.1. The Buyer shall support the Seller's personnel in the execution of the erection and installation for his account.
- 5.2. He shall make the necessary arrangement for the protection of persons and objects at the erection site. He also has to inform the fitter, and in cases of fitting teams the Seller's site manager, of existing safety regulations as far as they are of importance to the Seller's personnel. He shall inform the Seller of violations of such safety regulations by the Seller's personnel. In case of severe violation he may forbid the violator, in agreement with the Seller's site manager, to enter the erection site.
- 5.3. When the shipment is being unpacked, the Buyer shall provide an authorized person of his works who will check the completeness of the shipment in unison with one of the Seller's fitters. The result of this check shall be taken down in a record which is to be signed by the authorized person of the Buyer and the Seller's fitter.
- 5.4. The Buyer shall take out an erection and installation insurance which will cover all material damages to the fitting object during the fitting period up to the final inspection.
- The Seller in turn will take out a workmen's compensation insurance covering a scope as is

customary with him and on request he will prove this to the Buyer.

The liability of the Seller shall be limited to the above workmen's compensation insurance, particularly under consideration of the regulations under Item 12 and 13.

6. Technical Aid and Other Services of the Buyer

6.1. The Buyer shall be obliged to render technical aid and other services for his account and risk, especially the following:

a) Provision of the required suitable labour force in the number necessary for erection and installation and for the necessary period. The workers have to follow the instructions of the fitter and in case of fitting teams the instructions of the Seller's site manager.

This applies until the date the plant has been accepted by the Buyer in writing.

The Seller shall not accept any liability for the labour force provided by the Buyer.

b) Execution of all earth-, construction-, bedding- and scaffolding work, including procurement of building materials.

c) Provision of necessary equipment and tools (e.g. scaffoldings, hoisting devices, welding apparatus, manual drilling machines, compressors) as well as required requisites and materials (e.g. putlogs, wedges, perches, cement, cleaning and sealing material, lubricants, fuels, drive ropes and belts).

d) Provision of heating, illumination, operating power, water, inclusive of the required connections.

e) Provision of required dry and lockable rooms for storing the tools of the Seller's personnel.

f) Transportation of the fitting parts to the erection site, protection of the fitting parts and materials against destructive influences of any kind including theft, cleaning of the fitting parts.

g) Provision of suitable lockable lounges and work rooms (with heating, lighting, washing facilities, sanitary installations) and First Aid for the Seller's personnel.

h) Provision of the materials and execution of all other actions which are necessary for installation and for carrying out a contractually provided test-run.

6.2. For tools, equipment and materials necessary for the execution of the work and provided for by the Seller, the Buyer shall bear the costs of transportation.

After completion of the fitting job, these tools, equipment and materials are to be returned carriage paid to the Seller or another address stipulated by him or the fitter. This applies in all cases where tools, equipment and materials have not been specifically bought by the Buyer.

6.3. The technical support of the Buyer must assure that fitting can begin immediately after the arrival of the Seller's personnel and can be executed

without delay until the final inspection by the Buyer.

6.4. If the Buyer does not fulfil his obligations, the Seller is entitled, but not obliged, to carry out the actions assigned to the Buyer in his place and for his account. Possible claims of the Seller, especially compensation claims, shall not be affected by this.

6.5. If, without fault of the Seller, equipment or tools supplied by him are damaged during transport or at the erection site or if they are lost without fault of the Seller, the Buyer shall be obliged to compensate these damages or losses.

These damages will be calculated at cost price. Damages which occur on account of normal wear shall not be considered.

7. Modifications Regarding Construction of Equipment Provided for by the Seller

During the term of erection and installation, modifications and changes regarding construction and functioning of equipment provided for by the Seller may only be carried out after consultation and subject to approval of the Seller's designing department.

Otherwise the Seller's guarantees covering the equipment shall not become effective.

8. Replacement of Seller's Personnel

The Seller reserves the right to replace his personnel at any time at his discretion for his account. Should the replacement become necessary as a result of illness the Buyer shall bear the expenses for the replacement.

Illness or accidents of the Seller's personnel are to be reported to the Seller in the fastest manner possible.

If the replacement of the Seller's personnel becomes necessary for a reason not to be accounted for by the Seller, the costs arising from such replacement shall be charged to the Buyer.

9. Acceptance and Warranty for Apparent Defects

9.1. The fitting personnel of the Seller shall bear the sole responsibility for the execution of the fitting job until the plant has been accepted in writing.

The Buyer shall be obliged to inspect the fitting job immediately after he has been informed of its completion.

Upon handing over of the plant, a protocol of acceptance is to be signed by the Buyer and the Seller's site manager.

This protocol of acceptance must also indicate possible defects which are to be reported at once and possible alterations or delivery of additional parts if so requested by the Buyer.

There will be no claims after signature of this acceptance protocol unless these claims have been included in the protocol.

Should the fitting job prove not to be in compliance with the contract the Seller shall eliminate the reported defects for his account unless the defect is due to circumstances which are not to be accounted for by the Seller.

If a defect exists which must be eliminated by the Seller and is insignificant considering the Buyer's interest, the Buyer shall not be entitled to refuse official acceptance if the Seller has expressly accepted his obligation to eliminate the defect.

- 9.2. If the inspection is delayed without fault of the Seller, official acceptance shall be regarded as having taken place after one week has elapsed from the date that the completion of the fitting job was announced.
- 9.3. The Seller's warranty for apparent defects shall stop upon official acceptance.

10. Fitting Term

- 10.1. The fitting term shall be determined by the fitting offer submitted by the Seller unless different agreements have explicitly been made.
- 10.2. The erection and installation period shall be reasonably extended within the framework of labour disputes, particularly strikes and lockouts as well as in the case of unforeseen obstacles which are beyond the control of the Seller and as far as such obstacles can be proven to be of considerable influence on the completion of the fitting work.
- The afore-mentioned circumstances will not make the Seller responsible even if they occur during an already existing delay. The Seller will inform the Buyer of the beginning and the termination of such obstacles as soon as possible.
- 10.3. Fulfilment of the fitting term is subject to the Buyer's fulfilment of his contractual obligations.
- 10.4. If the Buyer incurs damages as a result of a delay which occurred through a fault of the Seller, the Buyer shall be entitled to request delay compensation, excluding any further claims. This compensation amounts to 0.5 percent for every full week of delay, but at the most to a total of 5 percent of the agreed fitting price.

11. Warranty for Hidden Faults

- 11.1. After acceptance of the fitting job the Seller shall guarantee for hidden defects of the fitting job which occur within 6 months, in case of multiple shift operation within 3 months, after acceptance in such a manner that he will first try to eliminate the defects within a reasonable period of time. The Buyer shall inform the Seller of a detected defect immediately and in writing.
- His right to claim for the defect is limited to 6 months from the date on which he made his report in due time.
- 11.2. The warranty period shall be extended by the period of interruption in operation caused by the repair work.

The warranty of the Seller does not apply if the defect results from a circumstance the Seller does not have to account for.

On principle, the warranty of the Seller ceases to exist particularly in those cases where the Buyer has carried out alterations or repair work or had such work carried out by third parties without the Seller's permission. Only in urgent cases where operating safety is endangered or where unproportional great damages must be prevented and of which circumstances the Seller must be informed immediately, or if the Seller is in arrear in eliminating the defect, shall the buyer have the right to eliminate the defect himself or have it eliminated by third parties and to request from the Seller compensation for the costs incurred.

12. Buyer's Right of Withdrawal Seller's Right of Withdrawal

- 12.1. The Buyer shall be entitled to withdraw from the contract if the Seller becomes definitely unable to carry out the complete contractual work. The same applies in the case of insolvency of the Seller.
- 12.2. If the inability occurs during delay in acceptance or through the Buyer's fault, the latter remains responsible to fulfil his obligations.
- 12.3. The Buyer shall furthermore be entitled to withdraw from the contract if the Seller permits an additional period granted to him for the repair of a defect, for which he is responsible under the regulations of the contract, to expire without taking action and through his own fault.
- 12.4. In the case of unforeseen events in the sense of Item 10 and as far as these events considerably alter the economic importance or the contents of the service or considerably influence the operation of the Seller's works, and in the case of impossibility of execution realised in retrospect, the Seller shall be entitled to withdraw wholly or partially from the contract as long as adaptation of the contract is not justifiable from an economic point of view.
- 12.5. The Buyer shall not be entitled to claim compensation on account of such withdrawal. If the Seller desires to avail himself of his right of withdrawal he has been established, even an extension of the delivery period had previously been granted by the Buyer.

13. Limitation of Liability

As far as this is legally permissible, the Buyer cannot claim any compensation for damage which have not occurred on the contracted article itself. Otherwise the regulations of Item 5.4 shall be applicable.

14. Verbal Collateral Agreements

Verbal collateral agreements to the contract or these General Conditions of Erection and Installation shall be effective only if they have been confirmed in detail and in writing by Seller.



15. Partial Invalidity

In case one condition of the contract or of these General Conditions of Erection and Installation is invalid, the remaining conditions shall, regardless of this fact, remain effective.

16. Place of Jurisdiction, Applicable Law

This Contract is subject to the Law of the Seller's country unless the parties explicitly agree otherwise.

Any dispute arising from the Contract shall be finally decided by the court having ordinary jurisdiction over the Seller.