Conditions of Purchase on Work Services

§ 1 General, Scope

- 1. The General Conditions of Purchase are applicable on all contracts on immovable property as well as on work services.
- 2. The General Comditions of Purchase are also, as amended, applicable as a framework-agreement for any future contract with the customer, without the need to be pointed out in each new contract.
- 3. These General Conditions of Purchase are exclusively applicable. Variant, opponent or complimentary General Conditions of the contractor will only become contractual component, in case and insofar as we explicitly agree upon.
- 4. Legally relevant declarations and notifications which have to be stated by the contractor after contraction (e.g. deadlines, reminders, declarations of withdrawal) need to be given in writing.

§ 2 Prices, Terms of Payment

- 1. The services are carried out at the prices listed in the order.
- 2. The agreed prices are fixed prices, including those for wages and materials. The prices are applicable for the duration of service or construction.
- 3. The agreed upon prices include all services and ancillyry services of the contractor (e.g. assembly, installation) and all ancillary costs (like regular packaging, costs of transport including possible transport and liability insurance), if not otherwise agreed upon. On our demand the contractor has to take back packaging material.

§ 3 Remuneration Provisions

1. Remuneration of additional services on top of those contracted have to be announced in writing. For this purpose supplementary orders have to be submitted in written form.

- 2. Orders, as well as supplementary orders and orders concerning the order extension are only effective when submitted by us in written form. The Terms of Order are also applicable on subsequent and change orders.
- 3. The contractor obliges to carry out such supplementary orders on our demand to the prices of this contract, if his company is geared toward such services and insofar as the extension of the order is reasonable.
- 4. We reserve to arrange changes of the draft.

§ 4 Technical regulations, Safety regulations

The ordered services have to meet with the contractually agreed characteristics.

The contractor has to ensure, that the contracted services meet the recognized rules of technology, the Provisions of the Machinery Protections Act, any other employers' liability insurance association or the applicable common safety regulations and the latest accident prevention regualtions.

§ 5 Execution, Assumption of Risk

- 1. The contractor hat to test specifications, drawings, building-descriptions and plans and to compare those with the localities. The contractor is familiar with the nature and scope of the services to be carried out. He is obliged to inform us immediately in writing, if, on the basis of his experience, he should doubt the intended execution of the work.
- 2. The contractor has to gibe proof of the quality and usability of work, materials and components on his expenses.
- 3. The contractor under sole responsibility has to meet all safety precautions to prevent property damage and personal injury. The contractor must take all measures necessary for traffic safety, such as barriers, lighting, scaffolding, cables, warning signs and electricity fuses.
- 4. The assumption of risk is based on § 644 BGB.

§ 6 Securing Ownership

- We reserve Ownerships rights and Copyright to illustrations, plans, drawings, calculations, execution instructions, product desciptions and other documents. Such documents are to be used exclusively for the contractual service and to be returned after fulfilment of the contract. These documents are to be kept confident against third parties, even after the termination of contract. The confidentiality obligation does only expire, if and insofar as the knowledge contained in these documents has become common knowledge.
- 2. Above regulation does accordingly apply on materials (e.g. software, fineshed and semi-finished products) as also for tools, templates, samples and other items we provide the seller for production. The seller must keep such items apart and reasonably protect them against demolishion and loss, as long as they are not processed.
- 3. The seller processes, mixes or combines those provided objects for us. If in the processing, mixing oder combination with third party-items their ownership remains, we acquire co-ownership in relation to the value of those items provided by us.

§ 7 Acceptance

- 1. Acceptance takes place after completion of the full service. Acceptance needs to take place in formal acceptance. For parts that are later non-accessible, the contractor must request us in good time for preliminary acceptance.
- 2. A protocol has to be written and signed by both parties on the acceptance.

§ 8 Labor Hour Work

- 1. Labor Hour Work needs an engagement letter.
- 2. During labor hour work, the construction supervision must sign verification slips in double on each working day.
- 3. Foreman hours are only paid if explicitly ordered. Breaks, holidays and bad weather times are not paid.

§ 9 Settlements and Payments

- 1. Part payments must be paid within 18 working days after the receipt of an auditable list.
- 2. The final invoice shall be submitted for review with all required documents. Date of offer and contract have to be included. Mass certificates have to be included, part payments to be listed. The invoice has to be put up auditably, according to the positions of the order oder the list of services

The invoice amount is due four weeks after receipt of invoice, provided, that the above conditions of the final invoice are met.

§ 10 Securities

- 1. On conclusion of the contract, the contractor provides a directly enforceable guarantee of unlimited duration of a German bank to the amount of 5 % of the contracted sum on his own expenses, to secure all of his obligations (complete, free of defects and on time service). The guarantee shall be handed over to us be returned to the contractor within 14 days after final acceptance.
- 2. For the duration of the agreed warranty period, security shall be provided in the amount of 5 % of the final invoice amount.

The security shall be paid by retention from the final invoice. The contractor shall be entitled to redeem the retention of security by an irrevocable, unlimited directly enforceable guarantee from a German bank.

Deposit shall be excluded.

§ 11 Industrial Property Rights

If a claim is made against us by a third party in connection with the performance due to the infringement of its rights, the contractor shall be obliged to indemnify us against such claims and to reimburse us for all expenses deemed necessary in connection with such claim. The claim shall exist irrespective from any fault of the contractor.

§ 12 Offsetting

The contractor may only set off undisputed or legally established claims. Apart from that, offsetting is excluded.

§ 13 Choice of Jurisdiction

The General Conditions of Purchase and any other juridical relations between us and the contractor are ruled by German law, excluding the UN_law of sale.

§ 14 Place of Performance and Jurisdiction

- 1. If the contractor is a merchant, the sole place of jurisdiction for any dispute resulting directly or indirectly from this contractual relationship, shall be Cloppenburg, Germany for both parties.
- 2. The place of performance and delivery is Saterland/Ramsloh.