

**I. General Provisions**

These "General Terms and Conditions of Assembly" apply to all assembly and repair work which we carry out on items supplied by us. Where these "General Terms and Conditions of Assembly" are silent, our "General Terms and Conditions of Business" shall apply to assembly and repair work.

The dates for assembly specified in our acknowledgement of the order shall be deemed an indication. Commencement of assembly shall be subject to prior binding agreement. In any event, liability to pay compensatory damages in cases of delayed commencement of assembly is excluded.

**II. Scope of Work**

The activities of our assemblers include installation of the items supplied by us, testing the operability of the plants where possible and, where necessary, instructing the operating personnel designated by the customer

With regard to repair orders, the activities of our assemblers shall be governed by the scope defined in each written repair order.

If, upon commencement of repair work, it becomes apparent that considerably more extensive repair work is necessary, this shall be deemed approved by the customer, unless the customer objects without undue delay upon notification of this fact by our assemblers.

Except with our prior written consent, the assemblers assigned by us shall not be entitled to carry out assembly or repair work on items which we have not supplied, even if such items are an essential component of the plant as a whole.

**III. The Supplier's Duties**

We undertake to carefully select and properly instruct the assembly personnel. We shall be exclusively responsible for deciding on the number and composition of the assembly personnel to be assigned in individual cases.

**IV. The Purchaser's Duties**

The customer undertakes to support us in the preparation and execution of assembly work and to take, free of charge, all measures not falling under our responsibility. In particular, the customer shall undertake at no charge to us:

all preliminary work necessary for assembling our items, including earthwork, bricklaying work, electrical work, locksmith's work and foundation work.

- a) Providing necessary devices and heavy tools such as cranes, lifting gear, compressors etc.
- b) Providing necessary items and materials such as winding sticks, bases, sealing material, lubricants, water, compressed air, oxygen and electricity.
- c) Providing suitable workers, who shall be subject to the instructions issued by our assembly supervisor. Our assembly supervisor shall also be entitled to reject workers who appear unsuitable. We assume no liability for the workers provided.
- d) Providing necessary dry and lockable rooms for storing our assembly personnel's tools. Providing suitable burglar-proof recreation rooms and working rooms with heating and lighting, washing facilities, sanitary facilities and first aid supplies for the assembly personnel.
- e) Transporting assembly parts to the assembly site, protecting assembly parts and materials against harmful influences of any kind whatsoever and cleaning assembly parts.
- f) Providing materials and taking all other actions necessary for adjusting the supplied item and for carrying out tests.

The customer assumes responsibility for compliance with prevailing accident prevention regulations. It shall take necessary measures at the assembly site.

Furthermore, the customer undertakes to inform our assembly supervisor of impending safety regulations, in so far as these relate to our assembly personnel.

Breaches of safety regulations by our assembly personnel shall be reported to us without undue delay. All the aforementioned measures

shall be taken in sufficient time to enable our assembly personnel to begin assembly work immediately upon arrival and to complete assembly work without interruption.

**V. Duty to Notify**

If the customer has misgivings about the manner of execution, about preliminary work on the part of sub-suppliers and/or about inconsistencies in the drawing documentation, it shall without undue delay give the project management of the company Axmann written notification thereof, stating the reasons.

**VI. Hours of Work**

As the duration of assembly work essentially depends upon the conditions at the site, all indications of the duration of assembly work are approximate and non-binding.

The collectively agreed working week of our assemblers is currently 40 hours, 8 hours a day from Monday to Friday.

Our assemblers shall not be obliged to work overtime, work on non-working Saturdays or work on Sundays or public holidays. Nevertheless, subject to our approval, they shall be given the opportunity to work beyond the normal hours of work, if they consider this to be necessary.

In such cases, the customer shall take all measures necessary for extending the hours of work and shall obtain any and all necessary official permits.

Where our assembly personnel are unable to begin assembly work without undue delay upon arrival or are required to interrupt assembly work for a period expected to exceed 4 hours of work, we shall be entitled to recall our assembly personnel and fix a new date for assembly, unless we are to blame for the delay or interruption.

**VII. Billing Rates for Assembly Work**

Where assembly and/or repair costs relate to labour costs, these shall generally be charged on the basis of hours of work performed. In respect of remote assembly work and local assembly work, the following rates shall be charged for working time, travelling time, assembly preparation time and, where applicable, maintenance times:

- a) Hourly rate for assemblers: EUR 51.00
- b) Hourly rate for assembly foremen: EUR 60.00
- c) Hourly rate for assembly supervisors: EUR 69.00
- d) Hourly rate for SPC technicians: EUR 81.00
- e) Hourly rate for engineers: EUR 93.00
- f) Hourly rate for software engineers: EUR 98.00
- g) Hourly rate for workshop work: EUR 70.00

The following surcharges shall be levied on the aforementioned hourly rates:

- a) Overtime per day, 1 - 2 hours 25 %
- b) Overtime daily in excess of 2 hours 50 %
- c) Work on a Saturday or Sunday 70 %
- d) Hours of work on a public holiday 100 %
- e) Night work from 7 pm to 6 am 60 %
- f) Allowance for difficult working conditions, for example free height in excess of 5 m, water, swampy ground, dust, acid fumes, temperatures in excess of 30°C in rooms, snow, rain or storm = at least 10 %, but otherwise in accordance with the rates of surcharges for your specialised group.

The public holidays designated as statutory public holidays in your territory shall be deemed public holidays.

**VIII. Separation Allowance in the Domestic Country / Abroad**

The separation allowance comprises the fee for board and personal expenses (out-of-pocket expenses) and totals as follows:

- a) EUR 30.00 shall be charged for assembly work over 5 hours of working time and travelling time.

- b) Costs for overnight accommodation shall be invoiced on the basis of submitted receipts or at a flat rate of EUR 31.00.
- c) Rates of separation allowance shall be fixed individually in the case of assembly work abroad.
- d) The separation allowance shall also be payable for work performed on non-working Sundays and public holidays, provided that these fall within the overall assembly period.

#### **IX. Travelling and Travel Expenses**

Travelling and travel expenses and all resulting incidental expenses shall be charged as follows, stating the individual items:

- a) The cost of a 2nd class ticket in the case of journeys using the German Federal Railways [Bundesbahn].
- b) Instead of travelling by rail, an assembly vehicle may be used at our option. For every kilometre driven from the works, the assembler's home or the assembler's location to the place of assembly and back using an assembly vehicle, EUR 1,00 shall be charged.
- c) The customer shall equally bear travelling expenses for weekend trips home and other trips home which are embodied in law.
- d) Travel and travelling expenses caused by interruption through no fault of own shall be chargeable to the customer.

#### **X Assembly Costs - Invoice**

Assembly costs include the provision of necessary tools, but not other material necessary for assembly and/or repair work.

We shall be entitled to increase assembly costs, if the collectively agreed wages, separation allowance or other costs increase. Travel expenses, separation allowance, assembly costs and transport costs for tools shall be charged separately.

The risk in respect of transportation of tools shall be borne by the customer. The customer shall also be liable for loss of or damage to assembly tools at the place of assembly, unless we are to blame for such loss or damage.

All our prices are understood to exclude VAT.

Where assembly or repair work lasts longer than one week, we shall be entitled to bill assembly costs weekly and additionally demand total or partial advance payment of expected assembly and repair costs, provided that the customer is in default.

#### **XI. Record of Hours of Work and Work Performed**

Every assembler shall receive two assembly certificates indicating the working time, travel time, waiting time through no fault of the assembler, preparation time and winding-up time. The customer shall retain one form for verification. The second form must be signed by the customer and be handed over to the assembler.

The customer shall be obliged to check the work performed by our assemblers and make known to our assembler any and all complaints before the assembly work is completed.

If in the opinion of the customer the work and/or hand-over of the plant is not to its satisfaction, the customer must record this on the assembly certificate.

If the customer refuses to perform such an acceptance inspection, the plant shall be deemed accepted on the day our assembly personnel depart, but no later than when the plant is put into operation.

The customer may not refuse to accept assembly or repair work due to a minor defect which we have agreed to rectify.

The customer shall not be entitled to claims based on defects which were apparent during the acceptance inspection, but were not complained about by the customer without undue delay.

#### **XII. Liability**

We shall be exclusively liable within the scope of our liability insurance.

Consequential damages caused by a defect, such as in particular lost profit or damages due to interruption in production or operations, are explicitly excluded.

In the event of loss of test data or damage to data material or carrier material, the company Axmann's liability shall be limited to the value of material in respect of the data carriers. In particular, therefore, liability shall not include the cost of restoring lost data.

The company Axmann shall only be liable on account of breach of confidentiality in cases where employees of the company Axmann or sub-suppliers of the company Axmann and/or their employees have acted with intent or gross negligence. Claims against employees of the company Axmann or employees of its sub-suppliers are excluded, in so far as legally permissible.

Where claims for compensatory damages are excluded or limited under the above subsections, this exclusion or limitation shall also cover claims in tort and claims against employees or representatives of the company Axmann.

We shall not be liable for work by our assembly personnel or other performing agents where the work does not relate to assembly or where defects are due to tampering by the purchaser.

The customer shall be obliged to ensure safety at the place of assembly. It shall be liable to us for personal injury and property damage arising from any breach of this obligation.

For a 12-month period from acceptance, we shall be liable for proper and professional assembly or repair work to the extent that defects for which we are responsible shall be rectified by us free of charge. Claims over and above this are excluded.

Defects discovered shall be notified to us without undue delay. The right to assert claims based on defects shall be subject to a 3-month limitation period from notification.

The warranty shall be extended by any period during which operations are interrupted due to defect rectification work on our part, but limited to the parts of the plant to which the defect relates.

With regard to repair costs, our liability shall be limited to proper and professional execution of repair work. We shall not be obliged to inspect the plant for other defects which impair or destroy its operability. Damage arising due to normal wear and tear or due to improper treatment or handling shall not establish liability for defects.

Our liability for defects shall lapse, if the customer has, itself or through a third party, made modifications to the plant without our prior written consent. Furthermore, our liability shall lapse, if the customer defaults on performance of a due obligation in relation to us. Nor shall we be liable for work which our assembly personnel have carried out on parts not supplied by us, unless we have issued them with a written instruction to do so.

The customer shall give us the time and opportunity, during normal hours of work, to rectify defects.

Beyond the aforementioned claims, the customer may not assert claims for compensatory damages on any legal basis whatsoever. Particularly excluded are claims of any kind whatsoever for compensation for consequential damages, also on account of positive breach of contract or tort, unless the latter occurred with intent.

Where terms and conditions contrary hereto exist for envisaged assembly work, these must be agreed upon in writing or be recorded in the wording of the assembly order.

#### **XIII. Place of Jurisdiction**

The place of jurisdiction for both Parties is Zwenkau or the regional court [Landgericht] which has jurisdiction.