
**General Purchasing Conditions
for Deliveries and Services**

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General Purchasing Conditions for Deliveries and Services

The abbreviated terms used in the conditions stand for

Marquard Engineering
 GmbH & Co. KG
 or client of
 Marquard Engineering
 GmbH & Co. KG

Contractor (AN) the contractor appointed by Marquard Engineering GmbH & Co. KG
 or a client of Marquard Engineering GmbH & Co. KG to carry out the services and/or deliveries, in the tendering phase also the bidder

Customer Client of Marquard Engineering GmbH & Co. KG

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1. CONTRACTING PARTIES

The contracting parties are the companies named in the order letter.

2. ORDER OF PRIORITY OF THE CONTRACTUAL DOCUMENTS

The contractual documents apply in the following order of priority, i.e., in the event of differing provisions in the individual contractual documents the provisions of the document with the higher position in the following order of priority apply:

- a) The text of the client's order letter, including any supplements.
- b) The minutes of the contract awarding negotiations.
- c) The client's enquiry documents including any supplements.
- d) The relevant legal conditions, orders and administration regulations of the Federal Republic of Germany in their valid versions.
- e) The valid versions of standards, guidelines and memoranda to be used for the delivery items.
- f) The general conditions of performance VOL/B and VOB part B and C in their latest version, unless other regulations have been agreed in the contractual conditions.
- g) The last valid technical bid by the contractor.

By concluding the contract the contractor confirms that he is aware of all the relevant data and conditions for fulfilling the contract. The contractor may only subcontract to third parties (in the sense of a transfer of the contract) with the written consent of the client. This does not apply to unessential parts and raw materials which are not normally produced by the contractor. In all cases third parties are only considered to be vicarious agents, even if the client has appointed the third party with the agreement of the contractor. The involvement of the client does not entitle the contractor to object on the grounds of contributory negligence in the event of the contractor breaching his contractual obligations.

The client's general purchasing conditions apply even if the contractor has not expressly recognised them.

The client does not recognise other conditions, unless agreed otherwise in writing; payments and the acceptance of services do also not represent recognition.

3. ORDER AND ORDER CONFIRMATION

The client is only bound by written orders. Verbal and telephone agreements only come into effect after written confirmation by the client. Acceptance of the order must be confirmed immediately and in full by the contractor, quoting the order number.

The subject matter of the order is the implementation of the deliveries and services set out in the order letter. The agreed scope of delivery and services can only be modified following written agreement between the client and contractor. Separate arrangements are made regarding any resulting consequences of a technical or commercial nature.

4. IMPLEMENTATION OF THE ORDER

4.1 Scope of the deliveries and services

The extent and implementation of the contractor's planning, delivery and services must be such that the subject matter of the delivery is complete and fully functional within the agreed delivery limits. The contract must carry out his deliveries and services in accordance with the state of the art and taking into consideration his experiences from setting up comparable installations.

4.2 Amendments, supplements

Before or during the work the client can request amendments. Minor design changes required by the client in connection with the testing, endorsement and approval of implementation plans must be made at no additional cost, as are all changes due to departures from the contractual

specifications if these are due to the contractor. If during the workshop and assembly work the client requests changes that are not based on omissions and errors by the contractor, the contractor is compensated for deliveries and services rendered worthless by the changes up to the value of their proven and accepted costs.

4.3 Drawings, calculations, documents

All documents must be drawn up exclusively in German and using German conventions. The contractor must submit the agreed documentation to the client in good time and in the necessary detail for correct checking and by the deadlines set out in the enquiry.

The plans and drawings to be submitted by the contractor are each checked by the client on receipt and returned within 15 working days with checking and approval notes. The number of copies to be submitted is determined at the time of awarding of the order. Checking and approval by the client does not exempt the contractor from his responsibility for the correctness of the measurements and design in accordance with the calculation and the order which are of decisive importance for this contract. If the contractor starts production without the relevant drawings and technical documents having been approved by the client, and if changes are made to the plans before this approval, the already manufactured parts must be modified accordingly without the contractor being able to enforce cost-reimbursement or other claims.

All drawings must be binding in respect of the position and dimensioning of all connections for adjacent deliveries and services as well as structural design. Modifications with regard to previous plan revisions must be referred to in writing. If during planning or on site the contractor wishes to make changes vis-à-vis the approved planning and implementation status, he must obtain the written consent of the client beforehand. All changes to third party deliveries arising through breaches of this regulation are at the contractor's expense.

At the time set out in the appendix the contractor hands over to the client all the definitive drawings, documents and instructions, corresponding to the actual construction situation, the detailed operating, maintenance and repair instructions, the QA documentation as well as full documentation for ordering spare and wearing parts required for the operation, monitoring and maintenance of the installation.

4.4 Progress reports, schedule monitoring

The contractual key deadlines are cited in the order letter. On the basis of this and immediately after awarding of the contract the contractor must draw up a detailed schedule for fulfilling his contractual obligations giving details of time periods for planning, design, material procurement, production, assembly and commissioning. The schedule must be updated by the contractor at predetermined, regular intervals, but at least once a month and submitted to the client along with a brief progress report including a specified/actual comparison. In the event of amendments, the written consent of the client must be obtained.

The contractor must inform the client of delays as soon as possible in writing, indicating the reasons and the envisaged duration. To eliminate delays the client can demand special measures. The contractor bears all the costs of these unless the delay is due to the client.

4.5 Monitoring of the implementation work

The client is entitled to inform himself about the contractual implementation of the work at any time, and, in order to do this can check or have checked any part of the scope of delivery at the contractor's workplaces and those of his subcontractors. The client must be provided with the requested information relating to the subject matter of the contract. If necessary, the contractor must provide calibrated test equipment.

If, as a result of a test or for other reasons, the client has concerns with regard to the fault-free quality of the subject matter of the contract, the client is entitled to have an examination carried out by specialist third parties. The costs of such an examination are borne by the attributing contracting party. Parts rejected due to defective quality or poor workmanship must be replaced by the contractor with defect-free parts or the fault rectified immediately at the contractor's expense. This does not exempt the contractor from deadline obligations, agreed warranties and guarantees. The client must be notified of all test runs, own acceptance measurements and tests in enough time to

be able to participate in them. Irrespective of the participation of the client, the contractor must submit the appropriate reports to the client without delay and without being requested to do, but at the latest together with the QA documentation.

4.6 Packaging, despatch, delivery

All delivery parts must be packaged and despatched in such a way that they arrive at the building site in perfect condition and can be stored in the open there if necessary. The relevant order number, item and object designation must be shown in a clearly visible manner on the outside of each pack and on all delivery items themselves. The contractor must notify the client of readiness for despatch in good time and in writing and must communicate with the client's site management with regard to the delivery deadlines and consignment sequence.

The contractor bears the full risk of despatch and transportation to the place of use for all deliveries and must take out the required insurance for this at his own cost. The client does not pay freight costs. Additional costs and damage due to faulty despatching and/or not fully exploiting the loading capacity of the means of transport are the responsibility of the contractor. Unless otherwise agreed in the order letter, unloading at the building site forms part of the contractor's scope of delivery. If no contractor personnel are present when the delivery arrives, the client only accepts the delivery after special agreement and excluding any liability. The acceptance of a delivery does not signify acknowledgment that it is in order. If at the request of the client the despatch of the delivery has to be deferred, it must be properly stored by the contractor. The assumption of the costs incurred by this is agreed separately.

5. BUILDING SITE ASSEMBLY

5.1 Contractor's obligations

Before the start of assembly at the building site the contractor must inform himself of the local conditions at the building site. At the agreed time the contractor must make available the required number of specialist and auxiliary personnel, hereinafter referred to as personnel, who are fully familiar with the subject matter of the delivery and its assembly, as well as all necessary scaffolding and lifting equipment, site means of transport, tools, assembly materials, auxiliary materials, working site illumination, protective and safety and similar equipment.

The contractor must also provide, erect and dismantle the required lockable building huts and storage sheds, including heating, lighting, electrical and sanitary installations. The relocation of building huts, storage sheds or material stores is not paid for by the client, irrespective of the reasons. The water and electricity supply lines from the main distribution points to the consumption sites required by the contractor must be laid by the contractor observing all relevant regulations and guidelines, and the required connection values and changes thereto during the assembly time must be notified in good time to the client or site management.

Before use of the equipment and installations made available to the contractor by the client or another contractor, the contractor must check that they are in order and advise the client or site management immediately in writing of anything that is not in order.

Detailed records must be kept of all assembly work which must be submitted to the site management for checking and signing on a daily basis. Signature only confirms the accuracy of the details, but does not acknowledge contractual conformity.

When settling additional work paid on the basis of hourly rates, the hourly rate slips must be submitted in duplicate to the site management for signature. Only the hourly rate slips accepted by the site management are valid for settlement. The contractor must add the top copy of the signed hourly rate slips to the invoice. In addition to the details in accordance with VOB/B § 15 no. 3, these must contain the date, the name of the building site, the occupational wage or salary group of the personnel, the number of hours worked per person and the type of work. The hourly rate payments must be broken down in accordance with the hourly rate slips into occupational, wage and salary groups.

In accordance with the building and assembly progress, the contractor must, at the earliest possible time and in consultation with the site management, dismantle and remove his temporary building site installations.

Until the time of acceptance, the contractor must protect the work he has carried out against damage and theft; in particular he must protect them against damage in winter and ground water,

and remove ice and snow at the request of the site management. When carrying out the building and assembly work the contract must as far as possible avoid environmental damage.

5.2 Order, safety and cleanliness on the building site

The setting up and arrangement of all building site facilities must be agreed with the site management in plenty of time. At his own expense the contractor must assure order, safety and cleanliness at the building site and avoid harm to the environment on the basis of statutory, official and specially issued building site regulations, and must observe the client's regulations in the case of all deliveries and services for which he is responsible.

The contractor's personnel must follow the site management's instructions. At the request of the site management persons giving rise to complaints, or whom it considers unsuitable, must be ordered off the building site. In such cases the contractor must ensure a suitable replacement without being entitled to exceed deadlines or make increased demands.

The contractor must tidy up and clean the building site at least every weekend and ensure that on completion of the assembly work the building site is left in a clean and tidy condition. If several contractors are working at the same location, and if there are dispute about the cleaning obligations, the site management can determine the cleaning responsibilities. Excess, residual and waste materials remain the property of the contractor and must also be removed at his cost when clearing the building site. If the cleaning and clearing up regulations are not observed, the site management has the necessary work carried out at the expense of the contractor.

The costs of rectifying damage, the cause of which cannot be determined, are borne by the contractors considered as having caused the damage, unless they can prove that they have not caused the damage. Several contractors are liable jointly.

Work on existing installations and/or deliveries by third parties, such as welding, chiselling etc, and the application of tensioning cables, pulleys, lifting equipment etc, may only be carried out with the written consent of the site management and relevant contractor's assembly manager.

5.3 Dimensioning

Dimensioning for calculating the work paid on the basis of flat-rate prices takes place immediately after completion of the component in the presence of the client. The contractor makes suitable personnel available for this. The relevant guidelines according to which dimensioning is to be carried out apply. The required measuring instruments and other necessary equipment must be made available by the contractor free of charge.

6. TESTS AND TECHNICAL ACCEPTANCES

The contractor must draw up a programme for all officially stipulated, contractually agreed and envisaged tests and acceptance of the raw material during and after production as well as during and after assembly of his deliveries and services, and must submit this programme to the client in good time. All tests required by the supervisory authorities must be carried out by the contractor at his own cost.

At least 10 days before tests and technical acceptances the contractor must issue to the client and, as the case may be, the specialists responsible for the tests and/or technical acceptances a written invitation to attend. The contractor must immediately provide copies of all test results for materials and designs as well as of the correspondence relating thereto with the responsible testing and acceptance authorities.

The contractor must make the necessary arrangements for the functional tests/official acceptances in sufficient time and agree them with the client and site management so that the contractually determined deadlines for the start of commissioning and trial operation can be precisely observed.

The contractor's assembly manager must give ample written notification of his scope of delivery and services for the final assembly inspection. By announcing final assembly inspection the contractor confirms that the quality, dimensional accuracy, completeness, safety and readiness of commissioning have been observed in accordance with the order and documentation. The client and/or the site management checks the above properties during the final assembly inspection.

If necessary or expedient the inspection takes place in partial stages. Reports on these final assembly inspections are jointly drawn up which are signed by the contractor, the client and/or the site management, without exempting the contractor from his full responsibility and liability.

7. COMMISSIONING AND TRIAL OPERATION

Commissioning takes place after successful final assembly inspection and written notification of readiness for commissioning by the contractor, as well as submission of the commissioning programme to be drawn up and submitted in good time by the contractor. The commissioning programmes are worked through and recorded during commissioning. The reports must be submitted to the client daily.

During commissioning and trial operation the contractor must also instruct the client's or end customer's personnel so that afterwards they are completely familiar with the installation delivered by the contractor and how to operate it, and are able to operate the installation safely on their own. The contractor must provide suitable specialist personnel to carry out this training as well as all suitable aids, such as a complete and details operating instructions, all the necessary drawings, descriptions etc. Training normally takes place at the building site.

Immediately on completion of commissioning the contractor must notify the client in writing of operational readiness. The client and contractor then agree on the starting date for trial operation. The duration of trial operation is set out in the enquiry. Trial operation serves to provide evidence of the operational suitability and reliability of the contractor's deliveries and services. The daily operating time is determined by the client on the basis of practical operating requirements in consultation with the contractor. The client also has the right to stop and resume operation at any time while observing the operating requirements set out by the contractor. The contractor records the results of the trial operation and submits these to the client on a daily basis. Full responsibility remains with the contractor during trial operation.

If the trial operation has to be stopped due to defects or faults for which the contractor is responsible, the trial operation resumes for its full duration after rectification of the faults. If the trial operation is stopped for reasons for which the contractor is not responsible the trial operation carried out until the time of stopping operation is, if it has passed without faults, credited in full to the agreed duration of trial operation.

8. TESTS AND ACCEPTANCE MEASUREMENTS

During commissioning the contractor must carry out all the required measurements for calibration and reference purposes. The precise programme for this must be agreed with the client. The client reserves the right to have acceptance measurements carried out by a company appointed by him in order to check all or just part of the contractor's guarantees. The contractor must provide the measuring company with all information and documents relating to his deliveries and services requested with the agreement of the client.

If the acceptance measurements cannot be carried out within 3 months of written notification of readiness for reasons of which the contractor is not responsible, an appropriate agreement is concluded with regard to measures to be carried out at a later stage which takes into account the use that has already been made of the deliveries and services.

If there are differences between the guarantees given by the contractor and the measurements carried out directly on behalf of the client of such a nature that the guarantees are not fulfilled in the opinion of the client, the contractor has the right to carry out improvements on his installation at his expense. Acceptance tests are then carried out again on the improved parts of the installation.

If the contractor does not carry out improvements, he must at the request of the client carry out renewed measurements by a jointly appointed company. If these measurements provide proof of fulfilment of the relevant guarantees the client bears the costs of the new measurements.

Otherwise the contractor bears these costs; in this event the client is entitled to demand improvements.

9. ACCEPTANCE, START OF THE WARRANTY PERIOD, TRANSFER OF RISK

Prerequisites for the acceptance of deliveries and services by the client are written proof of completeness, operational safety and operability as well as the successful completion of the tests and technical acceptances. Other preconditions include the availability of the final complete documentation as well as operating documents and regulations, test and acceptance reports

and/or certificates. Acceptance takes place exclusively as formal acceptance. Tacit acceptance in accordance with § 640 paragraph 1 clause 3 Federal Code is ruled out in the same way as the procedure for granting an exemption certificate in accordance with § 641 a Federal Code. Any interim checks carried out at the works or on the building site, or other clearances by the client do not constitute acceptance in the context of the contract.

At the time of acceptance of the deliveries and services by the client, the usage rights and risk pass to the client and the warranty period begins. If during acceptance minor defects are found or it is established that documents are missing that do not impair the operation of the deliveries and services, this must be rectified immediately by the contractor, irrespective of whether these shortcomings are included in the acceptance report or not. The client will determine an appropriate rectification deadline. Rectification of the defects must be set out in writing. The warranty period begins at the time of acceptance. If the contractually agreed acceptance date is delayed for reasons for which the contractor is responsible, the contractor must carry out regular maintenance of his deliveries and services for the period of the delay for which he is responsible.

10. WARRANTY AND AGREED QUALITY

If terms such as “warranty”, “assured properties” or “guarantee”, or terms connected herewith or derived therefrom are used in the contractual documents, these must be understood as quality features in accordance with § 633 paragraph 2 Federal Code in the BGB in wording of the law on the modernisation of contract law of 26.11.2001 (Federal Gazette p. 3138). In accordance with this the contractor undertakes to guarantee the quality, expediency and completeness of his planning, delivery and services, in particular with regard to conception, dimensioning, design, selection of materials, implementation and assembly as well as defect-free full operability.

The warranty period begins on the day of formal acceptance by the client and end customer.

Unless otherwise set out in the order letter it covers 16,000 operating hours, at the most 2 years, and 5 years for the paintwork. It is extended for all components which in the event of failure impair or make impossible the commercial use of the subject matter of the contract by the period of confirmed downtime. Claims based on defects found during the warranty period do not lapse before the expiry of a deadline corresponding to the agreed warranty period.

In this context operating hours are defined as the times when the deliveries and services are operating correctly. The warranty also extends to the spare parts to be delivered, provided that they are stored properly.

Within the warranty period the contractor must immediately and at no cost to the client rectify any faults or insufficiencies in his deliveries or services, especially the exceeding of values that must be observed or the non-achievement of assured properties. In doing so he must, if necessary, make technical improvements so that the assured and specified properties and values are achieved. The rectification of such defects or insufficiencies takes place in consultation with the client and taking into account operational interests.

If the contractor does not adequately fulfil his rectification obligations within an appropriate period, the client is entitled, after issuing a warning, to carry out these improvements himself or have them carried out by third parties. The arising costs are borne by the contractor.

The client must immediately inform the contractor in writing of every detected warranty claim. After consultation with the client the contractor must immediately investigate the triggering circumstances. The contractor must inform the client of the results of this investigation without delay. Irrespective of this, in urgent cases the client is entitled to carry out any necessary measures before the investigation is carried out, taking into account the state of the art. The contractor's warranty obligations are not affected by this. Until the expiry of all warranty obligations the contractor is entitled to examine operational record insofar as this is necessary for investigating a warranty claim.

If the client complains about defects within the warranty period which cannot be immediately rectified, the contractor will carry out temporary measures in consultation with the client until the time the defects can be rectified. Any additional costs are borne by the contractor.

In urgent cases the client is entitled to carry out repair work himself or have it carried out by third parties after having notified the contractor verbally or by telephone beforehand. The contract bears the evidenced costs of this. The rectification work carried out by the client or third parties at the expense of the contractor does not affect the warranty obligations of the contractor, unless this work has not been carried out properly.

If repairs by the contractors do not result in complete fulfilment of the contract, the client reserves the right of rejection after issuing a warning. The costs of rejection, in particular the costs of dismantling and return transport are borne by the contractor. Payments made by the client must be reimbursed. In the event of such a rejection the client is entitled to use the entire installation or parts of the installation free of charge until a suitable replacement is available.

11. DIMINUTION, CANCELLATION, WITHDRAWAL

If, in spite of an appropriate rectification period, the contractor does not fulfil his obligations to rectify ascertained faults and damage, the client is entitled to cancel, to rectify or have rectified the faults at the expense of the contractor and demand full compensation. The client is also entitled to withdraw from the contract.

The client is also entitled to withdraw from the contract if the contractor culpably exceeds the contractually agreed delivery deadline and allows an appropriate additional deadline set under threat of withdrawal to pass.

If despite repeated reminders the client gains the justified impression that work on the agreed scope of delivery is not proceeding quickly enough and the set deadlines cannot be met by the contractor, the client is entitled, without affecting the right to contractual penalties, to reduce the scope of delivery and transfer the remaining work to another company. The resulting additional costs are borne by the contractor.

The client is also entitled to withdraw if the contractor is unable to fulfil the obligations of the entire contract for reasons for which the client is not responsible. If fulfilment of the contract is objectively not possible and the client and contractor are not responsible for this, both parties are entitled to withdraw from the contract.

A special agreement is concluded between the contractor and client concerning the contractor's costs proven to have arisen up to the time of withdrawal from the contract. In the event of withdrawal the client is entitled to have replacement deliveries made by others.

If within the set appropriate additional period the agreed warranty work is not carried out and the guaranteed values are not achieved, but the client nevertheless accepts the deliveries, the contractor must pay an appropriate diminution.

12. DELIVERY TIME, DELIVERY DELAY, CONTRACTUAL PENALTY

The start of the delivery time and agreed key deadlines are set out in the order letter. If the contractor does not observe the agreed deadlines he is, without an additional period or reminder, deemed to be in default.

If during planning, production or assembly the contractor's work is not progressing in accordance with the contract and there is a risk that the deadlines set out in the schedule cannot be met, the contractor, after consultation with the client, must immediately take appropriate measures to avoid delay (e.g. increasing the number of personnel, introduction of shifts, Sunday and holiday work) and must inform the client of these in writing.

These measures must be taken free of charge for the client and must fulfil all official and statutory conditions. If the deadlines are exceeded for reasons for which the contractor is responsible, unless otherwise set out in the order letter, a contractual penalty of 0.5% of the contract value per started week becomes due. The contractual penalty becomes due immediately and is offset with the next instalment payment.

The client's entitlement to the contractual penalty is not ruled out if he accepts delayed fulfilment, does not demand the contractual penalty in the event of delayed acceptance or does not reserve the right to the contractual penalty. The entitlement lapses if the contractual penalty is not demanded within one month of approval of the contractor's final invoice. Any paid contractual penalties due to exceeding deadlines are offset in the event of any damages resulting from the delay. However, the payment of a contractual penalty does not release the contractor from fulfilling all contractual obligations.

In the event of a delay due to force majeure, the agreed delivery and service deadline is extended by the duration of the delay. The contractor is liable for such an extension of the delivery and service deadline if he has not informed the client immediately after the occurrence of the cause. Such notification is a precondition for acknowledgement of the deadline deferment. Only the following apply as force majeure: mobilisation, war, uprising, strike, epidemics, natural disasters.

The contractor must take all measures and steps to keep to the original deadlines or shorten their deferment. If originally agreed deadlines are newly set, the aforementioned contractual penalty applies accordingly to the newly set deadlines.

13. PAYMENT

The agreed scope of all deliveries and services is settled with the prices set out in the order letter. It is agreed that only once invoice will be issued for the entire scope of delivery and services of one order in which the instalment payments made are listed individually. Part or interim invoices are not accepted, unless this is expressly requested by the client.

The final invoice is drawn up after completed acceptance.

Invoices must be drawn up in an easily verifiable form. All documents required for verification must be attached. Payment is only made if, among other things, all agreed documents have been received on time by the client. VAT must be set out separately in the invoice at the relevant applicable rate. The payment of the instalments takes place within 30 days of receipt of the invoice and once the triggering event has taken place. The due dates agreed for the payments are deferred accordingly in the event of delays to deliveries and services. Unless otherwise subsequently agreed, the payment of additional costs approved by the client takes place with the next instalment.

13.1 Guarantees

Downpayment guarantee

For the first instalment an irrevocable, unlimited, absolute guarantee for the appropriate amount issued by major European to Marquard Engineering GmbH & Co. KG, Dinslaken must be submitted to the client, which is payable at the first written request forgoing the right to objection and prior claim. This guarantee is returned at the written request of the contractor on completion of the delivery.

Warranty guarantee

For settlement of the last payment instalment before expiry of the warranty period an irrevocable, unlimited, absolute guarantee for the appropriate amount issued by major European to Marquard Engineering GmbH & Co. KG, Dinslaken must be submitted to the client, which is payable at the first written request forgoing the right to objection and prior claim. This guarantee is returned at the written request of the contractor on expiry of the warranty period.

Contract fulfilment guarantee

When the contractor accepts the order, for the proper and timely fulfilment of the order an irrevocable, unlimited, absolute guarantee for 5% of the contract value issued by major European to Marquard Engineering GmbH & Co. KG, Dinslaken and covering all the contractor's obligations arising out of this order must be submitted to the client, which is payable at the first written request forgoing the right to objection and prior claim. This guarantee is returned on written request after provisional acceptance.

14. LIABILITY

From the start of materials delivery to acceptance by the client, while implementing the contract in accordance with the statutory requirements, the contractor is liable vis-à-vis the client and third parties for the actions of his personnel and for material damage and personal injury caused by him, his personnel, vicarious agents or his deliveries and services or as a result of careless implementation and also through negligence, lack of the necessary safety measures, use of defective equipment and scaffolding etc.

On his own responsibility the contractor must take all the necessary measures to make the building site safe (e.g. observing the existing building, industrial, safety and other police or professional association regulations) and exempt the client in full from all claims based on inadequate safety of the building site as a result of neglecting safety measures. The client is not subjected to any safety obligations in relation to the contractor.

If the contractor uses the client's equipment and installations or that of other contractor's working on the building site, he must exempt the client from any claims by third parties arising from such use.

15. INSURANCES

The contractor must take out liability insurance for damage to material, property and for personal injury with an adequate cover sum. At the request of the client he must provide evidence of amount covered.

The contractor must insure his building site equipment, the delivered parts of the installation and other materials or items belonging to him or his personnel against damage of all kinds, e.g. through fire, water, theft etc., and exempt the client from any recourse claims.

The contractor must insure his personnel on the building site against liability, accidents, illness and all other statutory provisions and exempt the client from all claims based on negligence of the contractor.

16. ASSIGNMENT OF CLAIMS

An assignment of claims due to the contractor on the basis of the contract is ruled out, unless the client gives written consent in individual cases.

17. PATENT CLAIMS

The contractor guarantees that through his deliveries and services to the client no legal protected rights of third parties, more particularly patent rights, will be infringed. He undertakes to exempt the client from any claims by third parties so that no claims for compensation or negligence can be made. He bears any incurred costs in connection with this.

Disputes with third parties do not entitle the contractor to interrupt the production and assembly of the subject matter of the contract. If necessary, he must come to an agreement with the claimant in order to avoid interruptions.

18. CONFIDENTIALITY

The contractor must remain silent about all information acquired within the context of his activities and must not pass on to a third party not involved in the contractually determined work any technical, scientific and commercial documents and information with which he has been provided for carrying out the work or of which he has gained knowledge during the course of implementing the contract. On completion of the contract the contractor must return all such documents. He is not entitled to keep documents or copies thereof. These provisions apply for the duration of the contract and also for a period of 5 (five) years after its completion.

19. PLACE OF PERFORMANCE AND JURISDICTION

The place of performance for all deliveries and services is set out in the order letter. The place of jurisdiction for all disputes arising out of the contractual relationship is the domicile of the client. The law of the Federal Republic of Germany applies exclusively for the contractual relationships.

20. VALIDITY CONDITIONS

Should one or more the above provisions be or become legally invalid, the remainder continue to be valid. The contractor must agree to new conditions which come closest to the invalid ones in terms of intent and economic success. Changes to the contract must be made in writing.