



General Terms and Conditions of Business for Deliveries and/or Services
(Permatech as Contractor)

§ 1 Scope of Validity

The present General Terms and Conditions of Business are exclusive and binding integral parts of all quotations, orders, order confirmations and all works and delivery contracts with the Contractor.

The Terms and Conditions of Business hence apply to all future business relations, even if they have not been explicitly specified again. At the latest upon receipt of the goods or services, the present General Terms and Conditions will be deemed accepted. Any counter-confirmations on the part of the Customer making reference to its own terms and conditions are herewith opposed. Any divergence from the present General Terms and Conditions of Business will only be operative if confirmed in writing by the Contractor.

§2 Grounds of Offer, Contract

- (1) The Contractor is held to specifically compiled quotations for a period of 6 months as from service of the said offers to the Customer. Differing agreements will be admissible.
- (2) The Customer will bear responsibility to the effect that apart from the difficulties and risks it specifies and those that are obvious, there are no circumstances relating to industrial safety that could influence calculations or render the work more difficult (for example, in-depth probing of foundations, water storage, units at danger from vibrations or explosion, hazardous environmental substances, supply of utilities, cables, connections to existing neighbouring buildings etc.). If, whilst the work is being carried out, any difficulties or impediments of the named or similar nature occur, the Customer is obligated to eliminate the difficulties immediately. Should the Customer fail to meet this requirement, the Contractor will be entitled to eliminate the difficulties itself and bill the Customer for the extra costs thus incurred by personnel, material and equipment.
- (3) If the Customer provides support in the form of personnel, it will vouch for said persons being professional and qualified.
- (4) Should extra hours be worked on Sundays and public holidays, the Customer will procure the necessary approval from the competent authority and confirm the approval in writing before work is commenced.
- (5) The Contractor will be entitled to verbally revoke offers; the revocation may only be declared providing the recipient of the offer has not accepted the offer. A contract will only materialize by way of an offer and its acceptance.

§3 Prices, Amendments of Prices

- (1) The prices in our offers are always in Euro and are subject to the addition of the value added tax required by law.
- (2) When work is performed at hourly rates – in place of fixed prices – our employees will present their vouchers showing the hours worked every day to the Customer or an authorized party thereof on the building site for signature. If these persons are not present on the building site, the vouchers will alternatively be signed by our Project Manager or another supervisory party and will then be sent the following day by fax or by post to the Customer or an authorized party thereof. Any objection to the hourly reports will be made immediately to the Contractor. This ruling will also apply to any allowances granted for difficulties that have been incurred.
- (3) The Contractor will be entitled to adjust the prices appropriately if the original prices in the offer change. This will apply to:
 - amendments to wages and salaries subject to collective agreements,
 - tax increases and a rise in social levies,
 - increase of purchase and procurement prices by more than 10% compared to the calculations on which the offer was based,
 - amended energy costs, amendments of import and export fees or other official levies.
- (4) Extra services will be charged separately.

§4 Terms of Payment/ Billing

- (1) Unless otherwise agreed, the Contractor's invoices will be due for payment without deduction 14 days after billing. After notified completion of the work, the work will be deemed inspected and accepted after 10 days. Acceptance may be free of formality and implied. This is particularly the case if the work completed is in use in whole or in part.
- (2) The Contractor will be entitled to call for down payments as the work progresses to a total of 90% of the services provided and evidenced. The individual down payments will be made within 14 days after receipt of the respective bill for the down payment. Final payment will be made within 30 days after receipt of the checkable invoice.
- (3) Failing compliance with the agreed terms of payment, the Contractor will be entitled, notwithstanding further rights under law:
 - to stop work until payment of due bills compiled under the running contract,
 - only to carry out outstanding work in return for advance payment,
 - to call for suitable security, in particular the grant of a covering mortgage on the real estate of the Customer,
 - after conceding a suitable period of time for remedy, to withdraw from the contract,
 - to claim compensation for damages for non-performance.

The Contractor will have the same rights if circumstances are known to exist that are likely to reduce the creditworthiness of the Customer and claims of the Contractor from the present contract are thus endangered.

- (4) If the Customer defaults, the Contractor will be entitled as from that point in time to charge interest at the level charged by the merchant banks for current account overdrafts, at least, however, interest amounting to 8% in excess of the respectively valid basic rate of interest.
- (5) The Contractor will be entitled, notwithstanding instructions of the Customer to the contrary, to initially offset payments against earlier debts. If costs and interest have already been incurred, the Contractor will be entitled to initially offset payment against the costs, then against the interest and finally against the main claim to payment.
- (6) The Contractor's claims to payment will become statute-barred in 5 (five) years, in divergence from Section 195 BGB [German Civil Code]. The commencement of the limitation period will be subject to Section 199 BGB.
- (7) The Customer will only be entitled to offset, retain or reduce, even if objection to defects or counterclaims have been asserted, if counterclaims have been established by declaratory judgment or are undisputed.
- (8) A payment will only be deemed made when the Contractor is able to dispose of the amount. In the case of cheques, payment will only be deemed made once the cheque has been honoured.

§5 Deadlines and Periods of Performance

- (1) Circumstances of force majeure or interruptions to work for which the Customer or third parties are responsible, will be notified by the Contractor to the Customer immediately. Contractor and Customer undertake to adjust the contract accordingly; in particular the time for completion of the work will be lengthened by the duration of the impediment plus an appropriate run-in time. Where necessary, the contract may also be cancelled.
- (2) Circumstances of force majeure will be on a par with strikes, lockouts, mobilisation, war, lack of fuel and operating resources, fire, traffic blocks, disrupted transport and other circumstances for which neither Contractor nor Customer are responsible.
- (3) Failing compliance with deadlines for reasons for which the Contractor is responsible, the Customer will set a subsequent period for remedy in written form. After the fruitless lapse of this period, the Customer may cancel the contract for those services that the Contractor has failed to provide by lapse of the deadline. Claims to damages will be restricted to 5% of the value of the services not provided, unless the Contractor is liable by law for wilful intent or gross negligence.

§6 Passage of Title

- (1) Only the re-usable or recyclable parts that are actually in the property being reconstructed/demolished will become the property of the Contractor upon their segregation from the real estate, unless otherwise agreed by contract. This will not, for example, apply to material that is to be used again for filling construction pits in the property that is being rebuilt.
- (2) The utilization of individual parts of the property or utilization of the property as a whole will be the basis for pricing. The Customer will not be entitled, after the Contractor's inspection and quantity survey of the property for demolition, to remove useable parts from that property or to initiate or allow this to be carried out. Before work starts, the Customer will take appropriate measures to prevent this happening.
- (3) If, after inspection and survey, useable parts are removed from the property, the Contractor will be entitled to cancel the offer or the contract or to choose to call for indemnification in money. The Contractor will grant the Customer a suitable period of time to return the useable parts.

§7 Technical Performance

- (1) The order will be carried out subject to the relevant regulations governing public and in-company security, industrial protection and the regulations of the responsible professional trade associations and authorities.
- (2) The technical performance will be carried out based on the documents provided and listed by the Customer (plans, items, service descriptions etc.). The Customer will provide the Contractor with all information and all written documents required to carry out the work safely.
- (3) The existence of substances that influence and endanger the environment (contaminated substances), whose removal is required whilst the work is being carried out, will be disclosed by the Customer prior to order placement with details of type and extent. The proper removal of said substances is not the subject matter of our offer, unless otherwise explicitly expressed to the contrary.

§8 Inspection and Acceptance

The Customer will immediately examine and accept the services provided by the Contractor upon completion thereof. Any deficiencies will be notified in written form to the Contractor within 10 workdays at most after completion. The performance of the Contractor will be deemed contractual and accepted unless objection thereto is filed within 10 workdays. This will also apply for part-services provided by the Contractor.

§9 Guarantee

(1) Should the Customer justifiably assert deficiencies, the Contractor will be entitled to choose to provide subsequent remedy or to make an appropriate reduction in price. The Customer will be entitled to call for an appropriate reduction in price if the remedy subsequently provided by the Contractor fails to bring the required success.

Further claims to damages will be fundamentally ruled out. This will also apply to indirect and/or consequential damages, unless the damages occurring are attributable to the wilful intent or gross negligence of the Contractor or its vicarious agents.

(2) The Customer will not be entitled to any guarantee if

- the Customer corrected the deficiency itself or had it remedied by a third party without the prior approval of the Contractor,
- the Customer refuses to have the Contractor eliminate the deficiency,
- systems are started up before the Contractor had the opportunity to inspect the deficiencies asserted as prevailing in said systems,
- the deficiency has been caused by erroneous instructions given by the Customer or is attributable to unsuitable material provided by the Customer.

(3) Claims other than claims to guarantee for deficiencies will be notified to us in written form immediately after they become apparent, at the latest, however, within a period of 30 days following acceptance. For such claims, the liability of the Contractor will also be restricted to the maximum shown in the following Section 10.

§10 Liability

The Contractor will only be liable for claims to any kind of damages, even those from unauthorized acts, as follows:

The duty to compensate will be restricted to the amounts that are within the scope of the liability insurance cover. The cover of the liability insurance is

- € 2,000,000.00 for injury to persons and damage to property
- € 9,000,000.00 for damages from fire and explosion
- € 100,000.00 for damages from handling
- € 2,000,000.00 for environmental liability

Claims to compensation under contract or by law will only be given if the Customer provides evidence that damages have been caused by gross negligence at the least on the part of the Contractor. For actions carried out by legal representatives, the Contractor will be entitled to exoneration as provided by Section 831 BGB. The possibility of exoneration subject to Section 831 BGB will also apply appropriately in the case of action undertaken by vicarious agents.

§11 Duties of the Contractor's Employees

The Contractor has bound its employees not to do anything which could disrupt the operational calm of the Customer. The employees of the Contractor will maintain secrecy on any knowledge gained whilst carrying out the order regarding in-company

processes, conditions of employment, production flows, remuneration and technical processes. The employees of the Contractor are instructed to comply with the accident prevention, safety and other protective regulations of the Customer.

The Contractor is a member of the professional trade association

Berufsgenossenschaft Metall Nord Süd,

Wilhelm-Theodor-Römheld-Str. 15,

55130 Mainz, Germany

Membership No.: 322 1400 20.

§12 Applicable Law, Place of Jurisdiction

(1) For the present General Terms and Conditions of Business and all legal relations between the Contractor and the Customer, only the law of the Federal Republic of Germany will be applicable. The application of the standardized international law on sales will be explicitly ruled out.

(2) Place of performance and place of jurisdiction for deliveries and/or services and payment is Backnang. As place of jurisdiction, the Contractor will also be entitled to specify the Customer's place of jurisdiction. For all disputes derived from contractual relations, action may be filed with the Court of law applicable to the Contractor, if the ordering party is a registered merchant, a corporate entity of public law or a special fund under public law. The Contractor will also be entitled to file action at the registered office of the ordering party.

§13 Severability Clause

Should any provision of the present General Terms and Conditions of Business or any provision in any other agreements be or become invalid, the operativeness of all other provisions or agreements will not be affected hereby.

Permatech Industrie-Service GmbH

Vordere Alm 9

71522 Backnang

Germany

Tel.: + 49 (0) 7191/ 88034

Fax: + 49 (0) 7191/ 84085

Internet: www.permatech.de

E-mail: headoffice@permatechn.de (Contractor)