

General Terms of Purchase for the Supply of Goods and Services Edition 06/2007

1. INTRODUCTORY PROVISIONS

1.1 Basis of contract

The General Terms of Purchase shall apply to all orders placed. Any differing terms of business of the Contractor shall only apply if and inasmuch MAN TURBO AG (hereinafter the Orderer) acknowledges them in writing.

1.2 Conclusion of contract

Orders and agreements, as well as additions and amendments thereto, shall only be binding provided they are made or confirmed by the Orderer in writing. On conclusion of the contract, the Orderer shall file/process the data required for order execution in accordance with the terms of the Bundesdatenschutzgesetz [German Data Protection Law].

1.3 Unauthorised publicity

The use of inquiries or order letters for reference or publicity purposes shall be inadmissible.

1.4 Ban on child labour and the use of forced labour

The Contractor shall be bound by the fundamental principles governing the ban on child labour and the abolition of forced labour in the 1998 International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, Geneva. It shall ensure that its vicarious agents and its own suppliers observe these.

1.5 Treatment of supplied drawings, patterns, tools

All drawings and other written documents, patterns and tools made available for execution of a contract shall remain the property of the Orderer and shall be returned without charge upon completion of the contract. The aforementioned drawings and other documents, as well as drawings and documents prepared by the Contractor based on information provided by the Orderer, shall neither be used for other purposes, nor duplicated, nor made accessible to third parties. The Contractor shall be liable to the Orderer for all losses arising out of a breach of this provision. The Purchaser's approval of drawings, calculations and other technical documents shall not release the Contractor from its warranty and guarantee obligations in relation to the subject matter of the contract. This shall also apply to any proposals and recommendations made by the Orderer that are accepted by the Contractor.

1.6 Spare parts

The Contractor shall ensure that the technical status of spare parts it is to supply remains in compliance with that currently demanded of deliveries, until expiry of the period of limitations in relation to warranty claims. Moreover, it shall maintain availability at short notice of sufficient parts for the anticipated period of use of the subject matter of the contract, albeit at least until expiry of the period of limitations applicable to warranty claims.

2. TRANSPORTATION GUIDELINES

2.1 Shipment of hazardous goods

The Orderer assumes that the Contractor, as the distributor of the goods, is fully aware of any hazards associated with dispatch, packaging, storage etc. of its goods. Therefore, prior to accepting a contract, the Contractor shall check whether the goods indicated in the order are classified as hazardous goods (e.g. paints, adhesives, chemicals or flammable, oxidizing, explosive, combustible, toxic, radioactive, corrosive goods, or those susceptible to spontaneous heating). In such cases, the Contractor shall immediately inform the Orderer in detail. However, at the latest when returning the "order confirmation", the Contractor shall send the Orderer the relevant product information (at least safety data sheets and accident prevention leaflets), as well as details of the type and quantity of delivery units to be supplied.

The most recent versions of national and international regulations shall be observed with respect to declaration, labelling and packing, and shall be accompanied by legally signed statutory declarations of hazardous materials.

Applicable regulations:

- Sea freight: IMDG-Code - International Maritime Dangerous Goods Code
- Air freight: IATA-DGR - International Air Transport Association Dangerous Goods Regulations; ICAO-TI - International Civil Aviation Organization Technical Information; GGV-Air - in preparation
- Rail: RID - International Regulations for Transport of Hazardous Goods by Rail; GGVe
- Dangerous Goods Regulations Rail Regulations governing the domestic and international transport of hazardous goods by rail
- Road: ADR - European Convention the International Transport of Hazardous Goods by Road (GGVS). Any divergent or additional regulations in the recipient country, if indicated in the Order, shall also be duly considered.

2.2 Additional expense or losses due to incomplete or incorrect information

Any increased expense incurred by the Orderer as a result of the late and/or flawed or incomplete submission of the requisite documents shall be invoiced to the Contractor in the form of a flat administrative charge of EUR 125.--. The Orderer reserves the right to claim for additional losses.

For the rest, the Contractor shall be liable for all losses arising as a result of incorrect information, or through failure to comply with regulations during the handling of hazardous goods (packaging, shipping, storage etc.).

2.3 Mandatory export licence

In accordance with the Außenwirtschaftsgesetz (AWG [German Foreign Trade and Payments Act]), the Kriegswaffenkontrollgesetz (KWaffKontrG [German Military Weapons Law]) and similar legislation, the Contractor shall inform the Orderer, within the context of the export provisions, when it submits the quotation, and at the latest prior to conclusion of the contract, whether the goods to be supplied are subject to a mandatory export licence (in particular export list / EG dual use list of items).

3. SCHEDULES

3.1 Delivery dates

Should the Contractor become aware that it cannot meet the agreed dates, it shall immediately notify the Orderer of this situation in writing. Early delivery or performance and partial delivery or performance shall require the consent of the Orderer.

3.2 Rights and claims prior to maturity

The Principal shall be entitled to withdraw in full or in part from the contract before the claim for delivery or performance under the contract matures, if it is evident that the Contractor will not be able to deliver or perform on time, even if the Orderer were to allow it a reasonable additional period. Moreover, the Principal shall have the right to make a claim for damages in lieu of performance against the Contractor, if it is evident that the latter will not be in a position to deliver or perform within a reasonable additional period.

3.3 Liability for schedule delays

If the Contractor fails to meet the agreed dates or deadlines, then the statutory provisions, in particular the duties to pay damages in the event of default, shall govern the legal consequences.

3.4 Further rights and claims accruing in the event of schedule delays

Moreover, without prejudice to its other rights, the Orderer may arrange for a third party to undertake the delivery not yet furnished by the Contractor, at the latter's expense and risk, upon expiry of a reasonable additional period set by the Orderer, or if the delivery is no longer of any value to it as a result of the delay.

Should documents that the Contractor has in its possession be required for this purpose, it shall immediately hand these over to the Purchaser. Should industrial property rights prevent a third party from supply or providing the goods/services, the Contractor shall be obliged to immediately seek a corresponding release from these rights.

4. CONTRACTUAL PENALTY IN THE EVENT OF A SCHEDULE DELAY

If a penalty has been agreed upon for schedule delays and the Contractor is behind schedule, it shall be obliged to pay the agreed contractual penalty as soon as the delay occurs. The Orderer shall not be obliged to expressly reserve the right to demand such penalty at the time of acceptance, but shall be entitled to offset the amount against the final invoice amount. The Orderer may still claim the contractual penalty even if it withdraws from the contract after the claim arises, or arranges for a third party to

undertake the supply or service due. This shall not affect the Orderer's claims and rights arising out of schedule delays.

5. REMUNERATION, DELIVERY OVERRUNS OR SHORTFALLS

5.1 Prices

The agreed prices shall be fixed prices.

5.2 Pricing

Prices shall be free to the point of use, including packaging and freight costs. The manner of pricing shall not affect what is agreed in relation to the place of performance.

5.3 Insurance

The Orderer shall only accept insurance costs incurred by the Contractor subject to prior written agreement.

5.4 Delivery overruns and shortfalls

The Orderer reserves the right to accept delivery overruns or shortfalls in individual instances.

6. PAYMENT

6.1 Payment term

Payments for deliveries of goods shall be effected within a fortnight, less a discount of 3%, or within 30 days, less a discount of 2%, or net within 60 days, and payments for services shall be effected net within 45 days, using the Orderer's preferred means of payment. Any different payment terms specified in individual orders shall apply. The payment terms shall commence upon receipt of the invoice, albeit not until goods have been delivered / services rendered without defects and in full, and where documents and certificates form part of the scope of performance, not until these have been handed over to the Orderer in accordance with the terms of the contract. If a payment cannot be made on time, due to the fact that the delivery documentation is not in order or the invoice details are incomplete, the payment and discount periods shall not commence until such matters have been clarified.

6.2 Advance payments

The Orderer shall make agreed advance payments against invoice, in accordance with the provisions of the VAT legislation. Even if advance payments are made, the Contractor shall list and account for all performances in an invoice.

6.3 Payment subject to reservation

Payment of invoices shall not signify recognition of claims by the Contractor that have not yet been examined.

7. ASSIGNMENT OF RECEIVABLES

The Contractor's receivables due from the Orderer may only be assigned to third parties, or be permitted to be collected by third parties, subject to the prior written consent of the latter. The Orderer may not refuse to give such consent on unfair grounds.

8. RESERVATION OF TITLE

The Orderer hereby opposes all provisions in relation to reservation of title that extend beyond a simple reservation of title. These shall be subject to prior written agreement in individual instances. If subsidiary suppliers should nevertheless assert proprietary rights, co-ownership rights or rights of lien, or arrange for execution measures, the Orderer may make a claim against the Contractor for all losses it incurs as a result.

9. GROUP SET-OFF CLAUSE

The Orderer shall be entitled to offset any receivables, due or otherwise, including future receivables, which may be due to MAN Aktiengesellschaft or a shareholding company with a holding of at least 50% from the Contractor, or which may be due to the Contractor from one of the aforementioned companies. The Contractor may obtain information on the status of such holding at www.man.de or may make a direct inquiry to the Orderer.

The Contractor therefore agrees that all collateral furnished to the Orderer shall also serve to cover receivables payable by Contractor to the companies mentioned in the preceding paragraph. Conversely, all collateral furnished by the Contractor to such companies shall also cover any claim made against the Contractor by the Orderer, irrespective of the legal basis for such claims.

10. WARRANTY RIGHTS

10.1 Scope of warranty rights

The Contractor shall provide supplies and services without defects. They shall in particular have the agreed qualities/characteristics and also characteristics and values guaranteed by the Contractor, and shall conform to the latest state of the art as well as to the relevant regulations as issued by authorities and professional associations, and may not have any defects.

10.2 Individual warranty claims

The Orderer shall have the right to opt for supplementary performance either via remedy or replacement delivery, and to claim damages in accordance with the statutory provisions. Furthermore, the Contractor shall be responsible for the expenditure incurred as a result of subsequent performance. If subsequent performance does not take place within the reasonable period set by the Orderer, if it fails or if the deadline set was ignored, the Orderer may furthermore withdraw from the contract or reduce the remuneration. In addition, it may claim the statutory amount of damages, even in lieu of performance, and also reimbursement of wasted expenditure. If the Orderer is entitled to make guarantee claims over and above the statutory warranty claims, these shall not be affected by this clause.

10.3 Self-remedy

In urgent situations, in particular where there is a risk of serious loss, the Orderer may institute the requisite subsequent performance measures itself, at the Contractor's expense and risk, provided it has notified the Contractor in advance, if the Contractor has failed to comply within a reasonable period with its request for subsequent performance, or if the Contractor could not be notified owing to the seriousness of the situation. Notwithstanding the above, the Contractor's subsequent performance obligation shall remain intact. The Contractor shall bear all additional costs accruing, for example the costs of dismantling, installation, tests and technical acceptance. This provision shall not affect the statutory right of self-remedy.

10.4 Notice of defects

The Orderer shall be entitled to serve notices of defects within two weeks of receipt of the goods, and in the case of hidden defects, within two weeks of their discovery.

10.5 Period of limitation for warranty claims

The period of limitation for warranty claims shall be 36 months, unless a longer period of limitation is laid down by law. The period of limitation shall commence upon delivery, or if acceptance is agreed or is prescribed by law, at the time of acceptance. In relation to spare parts supplied by the Contractor in acknowledgement of its legal obligation to provide subsequent performance, it shall recommence when the spare parts are delivered.

10.6 Periods of limitation in the event of business interruption

If plant units cannot be used as laid down in the contract, due to a business interruption triggered by defects, then the period of limitation for the defective units shall be extended by the length of the business interruption.

11. LIABILITY

11.1 General liability

The Contractor's liability shall be governed by statutory regulations.

11.2 Product liability

The Contractor shall hold the Orderer harmless with respect to all claims arising out of non-contractual product liability due to a defect in the product/part-product supplied by the former. Subject to the same criteria, it shall also be liable for losses that are incurred by the Orderer as a result of precautionary measures of a reasonable nature and scope taken in order to avert a non-contractual product liability

claim, e.g. via public warnings. This shall not affect the Orderer's right to make a separate claim against the Contractor.

11.3 Liability for environmental damage

The Contractor shall be liable for all damage caused to the Orderer or to third parties because the Contractor or its vicarious agents have breached the provisions of the Immissionsschutzgesetz [German Law governing Harmful Effects on the Environment through Air Pollution, Noise, Vibrations and Similar Factors], the Wasserhaushalts- und Abfallbeseitigungsgesetz [German Water Management and Waste Disposal Law] and of the ordinances and other laws and regulations issued in this context. It shall hold the Orderer harmless in the event of all claims that are made against the Orderer in the event of such a breach.

11.4 Duty of insurance

The Contractor undertakes to insure itself adequately against all risks that entail its liability. It shall provide evidence of its insurance cover at the Orderer's request.

12. DETERIORATION IN FINANCIAL SITUATION, INSOLVENCY, OTHER SERIOUS GROUNDS

In addition to the other rights and claims accruing to it, the Orderer may fully or partially withdraw from the contract in the event of

- serious deterioration in the Contractor's financial situation
- and/or suspension of payments by the Contractor
- and/or problems in contract execution, following an application for the institution of insolvency proceedings by the Contractor itself
- and/or problems in contract execution after the institution of insolvency proceedings in relation to the Contractor's assets, or failure to institute insolvency proceedings due to inadequate assets and in other circumstances, where a serious ground exists.

In such circumstances, the Orderer shall have the right to demand the return by the Contractor of all items and documents in its possession. Furthermore, the Orderer shall have the right to ask the Contractor to return all or some supplies or services, whether or not they have been completed, with respect to which withdrawal has not been declared, subject to a pro rata remuneration; the Contractor shall be obliged to immediately hand these to the Orderer and to transfer ownership to the Orderer. In such circumstances, the Contractor may not claim damages or make any other remuneration claims against the Orderer.

13. RIGHT OF USE FOLLOWING WITHDRAWAL

If the Orderer should avail itself of a right of withdrawal due to it, then the plant in question, or individual units thereof, shall remain at the disposal of the Orderer or the final customer, without charge, until such time as adequate replacement has been procured. The Contractor shall bear the costs of any disassembly work or of transporting the plant unit in question.

14. PROTECTIVE RIGHTS OF THIRD PARTIES

14.1 Guaranteeing use in accordance with the terms of the contract

The Contractor shall ensure that the Orderer does not infringe copyrights, patents or other protective rights of third parties as a result of use of the Contractor's supplies and services in accordance with the terms of the contract.

14.2 Indemnification of claims by third parties due to infringement of German protective rights

The Contractor shall hold the Orderer harmless in relation to claims made against the latter due to infringement of a German industrial protective right. This shall only apply to damages claims inasmuch as they are due to culpable behaviour on the part of the Contractor.

14.3 Indemnification for claims by third parties due to infringement of foreign industrial protective rights

The Contractor shall hold the Orderer harmless in relation to claims made against the latter due to infringement of a foreign industrial protective right, if it was aware of the use in the country of destination. This shall only apply to damages claims inasmuch as they are due to culpable behaviour on the part of the Contractor.

14.4 Measures intended to avert or remedy infringements of protective rights

The Contractor shall only be required to bear licence fees, expenses or costs that the Orderer has incurred, in accordance with point 14, in order to avoid or remedy infringements of protective rights, where these arise due to the fact that it has not secured for the Orderer the rights required for the purposes of contractual use. However, the Orderer shall not conclude any agreements with the proprietor of the protective rights at the Contractor's expense without involving the latter in the event of a claim.

15. SUBCONTRACTS

The Contractor may only assign the execution of orders or significant proportions thereof to third parties subject to the Orderer's prior written consent. The Orderer shall not refuse to give such consent on unfair grounds.

16. ACCESS TO THE PRODUCTION FACILITIES

The Orderer shall have the right, in the case of orders that are individually executed on the basis of the Orderer's specifications, to gain access to the Contractor's production facilities and to be assigned a designated contact person to assist with specific inquiries related to execution, following prior agreement with the Contractor on timing. The Contractor undertakes to obtain consent from its own suppliers to ensure that the Orderer may also exercise this right in relation to their premises.

17. INVALIDITY

In the event that individual provisions should be invalid, this shall not affect the validity of the remaining provisions. The corresponding statutory rule will replace any invalid contractual provision.

18. PLACE OF PERFORMANCE

THE PLACE OF PERFORMANCE FOR SUPPLIES AND SERVICES SHALL BE THE PLACE OF USE SPECIFIED IN THE ORDER, AND FOR PAYMENTS THE REGISTERED OFFICE OF THE ORDERER.

19. PLACE OF JURISDICTION / APPLICABLE LAW:

The place of performance shall be the court having jurisdiction at the registered office of the Orderer. However, the Orderer may elect to sue the Contractor at the latter's general place of jurisdiction. The governing law shall be that of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is excluded.

Supplementary Terms of Purchase for plant and machinery, installation, commissioning and similar services 06/2007

The following terms of purchase shall supplement the above General Terms of Purchase. In the event of contradictions with the General Terms of Purchase, the following provisions shall take precedence over the General Terms of Purchase.

20. SCOPE OF THE CONTRACTORS SUPPLIES AND SERVICES

20.1 Scope and execution of the supply of plant and machinery

The Contractor shall supply the plant or machinery along with all parts that are necessary for faultless operation, subject to compliance with all quality features and other features and values it has guaranteed, including the related documentation. Machine elements and parts shall be configured and arranged in such a way that they can be successfully and quickly serviced, inspected and replaced. Compliance with the Orderer's wishes shall not relieve the Contractor of its contractual liability.

20.2 Scope of the work

Work to be provided by the Contractor, including the associated documentation, shall be completed in accordance with the terms of the contract and in their entirety. The Contractor shall complete such work under its own responsibility, even if it is incorporating the Orderer's requests. The Contractor shall seek information in relation to the conditions at the place of erection/installation before completing the work. It shall in particular familiarise itself with the weather and environmental conditions. It shall take these into

account during organisation of the order processing, in order to permit timely execution. The Contractor shall be bound by a special duty of care with respect to environmentally hazardous materials during execution of the work. If the Contractor finds pollutants, either in the ground, in enclosed walls or containers, or if these are suspected to be present, on the basis of the local circumstances or for another reason, it shall immediately notify the Orderer in writing and give it the opportunity to investigate and to instigate appropriate measures.

21. WORK ON THE WORK SITE AND ON THE ORDERER'S CONSTRUCTION AND INSTALLATION SITES

21.1 Preparatory work

Before commencing installation or assembly work, the Contractor shall examine the foundations, connections, pegging out and other relevant conditions in the immediate vicinity, so as to ensure that its work is free of defects

21.2 Responsibility, replacement of staff

The presence of the Orderer's installation management on the installation site shall not relieve the Contractor of its responsibility for the work it is to undertake. The Contractor shall appoint an installation manager with specialist knowledge and experience for the installation site and shall furnish him with the requisite authorities. The Orderer shall be informed immediately before he is replaced. The Orderer shall have the right to demand the replacement of staff who prove not to have specialist knowledge or who prove to be a hazard to the safety of the operation.

21.3 Verbal agreements

Direct verbal and written agreements between the Contractor, the Orderer's customer and third parties, in relation to matters affecting contract execution, shall not be valid without the Orderer's consent.

21.4 Coordination of the work

The Contractor shall be obliged to coordinate the provision of its work with that of other contractors at the place of performance, if necessitated by the overall execution of the construction or required by the Orderer. Care shall be taken to ensure that reciprocal interests are safeguarded. The Orderer shall have the right to request that it or third parties should have joint use of the Contractor's scaffolding, equipment etc..

21.5 Safety measures

The completion of work on the Orderer's work premises / job site shall be coordinated in good time with the Orderer's responsible technical clerk. In addition, the Contractor shall seek information from the person appointed by the Orderer to be responsible for work safety in relation to any local hazards, and shall coordinate the requisite safety measures with him. The Contractor shall ensure that its employees and those of its subcontractors behave in a safety-conscious manner and wear the prescribed protective safety gear. The Contractor shall appoint a person responsible for safety measures during the installation work.

21.6 Fire protection

The Contractor shall be obliged to observe all the fire protection provisions applicable at the place of performance. It shall report to the work premises / job site fire service and coordinate the requisite fire protection measures. If fire-hazardous work cannot be avoided on or near plant susceptible to fire and/or explosion, such as oil tanks, cables etc., this work shall only be carried out with the prior approval of the work premises / job site fire service.

21.7 Contractor's personnel

The Contractor shall submit to the Orderer a list containing the names of all persons he intends to employ on the work premises / job site. The list shall be kept up-to-date. The Contractor shall upon request provide evidence to the Orderer that these persons benefit from the statutorily prescribed social security cover. The Contractor shall be required to observe and adhere to all statutory regulations that apply at the place of installation at the time of execution of its work, in particular in the event of the employment of foreign labour. It shall instruct accordingly persons whom it employs. It shall hold the Orderer harmless with respect to any consequences of the failure to observe such regulations, in particular any claims. The Contractor may only employ subcontractors for work on the work premises / job site with the Orderer's prior written consent. The Orderer may not refuse its consent on unfair grounds. In circumstances in which there is a risk to operational safety, or on another serious ground, the Orderer shall have the right to refuse the Contractor or its subcontractor access to the work premises / job site.

21.8 Conduct at the job site, items brought on site

The Contractor shall ensure that its staff and those of its subcontractors comply with the Orderer's directions in relation to the maintenance of good order and safety, and shall submit themselves to the usual checks on the job site.

All items brought onto the Orderer's work premises / job site shall be subject to the Orderer's control. The Contractor shall clearly mark items that it wishes to bring onto the work premises / job site with its name or company logo beforehand. Prior to items being brought onto or removed from the site, the Orderer's supervisor shall be provided with a list of such items, which it shall initial and retain.

The Orderer shall not be liable for theft of, or damage to items brought onto the work premises / job site. The Contractor shall refrain from erecting job site signboards unless the Orderer explicitly requests them.

22. PERFORMANCE OF THE SUPPLY / SERVICE

22.1 Acceptance

If acceptance is statutorily provided for or agreed, then unless different conditions of acceptance are specified, the acceptance date shall be jointly specified following written application by the Contractor. The result of the acceptance shall be summarised in an acceptance report. Risk shall not transfer until the Orderer has confirmed successful acceptance. Acceptance may not take place in any other way, specifically not through tests, interim tests, the issue of certificates or evidence of work. Nor shall use result in acceptance, inasmuch as it takes place and/or is necessary in order to conduct acceptance tests or to execute other work. If the Orderer or the acceptance authority have already ascertained serious defects prior to acceptance, which have not been remedied, then the Orderer may postpone an acceptance date already determined until the defects have been remedied, notwithstanding other rights and claims due to the Orderer. Commissioning of the completed work or part thereof by the Orderer or its final customers shall not constitute acceptance.

22.2 Costs of acceptance

The Contractor shall bear the material costs of acceptance. The Orderer and the Contractor shall each bear their own personal acceptance costs.

22.3 Warranty following acceptance

The period of limitation for warranty claims shall be 36 months, unless a longer period of limitation is laid down by law. For the rest, 10.5 and 10.6 of the General Terms of Purchase for the Supply of Goods and Services shall apply.

22.4 Special liability provisions

The Contractor shall hold the Orderer harmless with respect to all claims associated with execution of the contract. The same shall apply to damages claims based on culpable conduct by the Contractor or (in the statutorily defined cases) on accountability irrespective of fault. The duty to hold harmless with respect to claims by third parties shall also apply to losses in the course of work by the Contractor on public or private property (e.g. supply lines). If the Contractor realises that losses are arising during contract execution, it shall immediately notify the Orderer's Installation Manager.

23. PAYMENT

The provisions laid down under 6 of the General Terms of Purchase shall apply.