

General Terms and Conditions

*For the Purchase of Plant,
Plant Components and Service*

Version: 10_2017

1 Definitions

1.1 In these General Terms and Conditions, the following definitions shall apply:

Principal	Torch Cutting Technology S.L. (TCT).
Contractor	The legal entity under obligation to provide supplies and services in accordance with the Principal's order.
Final Customer	Principal's customer to whom Principal is to supply the Plant.
Plant	The product to be provided to the Final Customer, which is, in technical or contractual terms, considered as a single complex of which the supplies/services provided by the Contractor constitute a part.
Customer Contract	Contract between Principal and Final Customer regarding the supply of the Plant.
Order	Contract between Principal and Contractor regarding the supplies and services to be provided by the Contractor.
Supplies	All supplies and services to be provided by the Contractor in accordance with the Order. The term "Service(s)" on its own shall have the same meaning.

1.2 In connection with the staged delivery of a Plant or parts thereof, the following definitions shall apply:

Completion of Assembly The point in time at which the assembly of the Plant, including the no-load test, is completed. The no-load test is deemed to be completed when the Plant has been tested, without operating materials, both in stand-alone and fully integrated operation, and when all equipment and components thereof, including controls, safety devices, etc. have been checked to ensure that they are operational and have been adjusted to their nominal ratings. Furthermore, all control systems must have been checked to ensure that they are operational and preadjusted.

Start of Trial Run Commissioning = start of full-load test = the Plant is put into operation under normal operating conditions.

Performance Test The Plant is operated under continuous full load for a specific period of time.

Positive Performance Test Performance test demonstrating the achievement of all the performance characteristics specified for the Plant and confirming that the Plant will operate in accordance with the Performance Test requirements laid down in the Customer Contract.

2 General Terms

2.1 Significance of Contractor's Supplies and Services

The Supplies and Services provided by the Contractor are part of a larger, complex Plant to be constructed by the Principal. This means that defaults in performance arising from faulty individual Supplies/Services will generally result in problems affecting the overall project organization, which in turn will trigger additional costs.

These include, but are not limited to, costs in connection with rescheduling deadlines outlined in the

project plan, third-party claims, disruptions to logistics, delayed acceptance by the Final Customer, downtime, etc. Such cost consequences are particularly serious in the case of Plants being constructed abroad.

The Contractor therefore undertakes to take these factors into account and exercise special care in the execution of its duties.

This includes, but is not limited to, the gathering of all information that must be taken into account to ensure proper fulfillment of the contract under the prevailing conditions of transport and on the site where the Supplies and Services will be utilized, and for the integration of Contractor's Supplies and Services within the Plant.

2.2 Quality assurance

The Contractor undertakes to apply the principles of quality assurance in accordance with the relevant ISO 9000 to ISO 9004 standards in the provision of Contractor's Supplies and Services and to impose the same obligation on its subcontractors.

Principal and Final Customer shall be entitled to audit the quality assurance systems, specifications and plans of the Contractor and its subcontractors at any time.

2.3 Validity of these General Terms and Conditions

These General Terms and Conditions shall govern the relationship between the Contractor and the

Principal unless a deviation there from is specifically provided for in the individual Order.

The Contractor's terms and conditions (e.g. quotations, terms and conditions of sale) shall only be valid if they have been expressly approved in writing by the Principal.

If, in the Principal's Order, reference is made to the Contractor's quotation documents, this does not imply acceptance of the Contractor's terms and conditions of business.

These General Terms and Conditions of the Principal shall be deemed accepted by the Contractor at the latest upon the latter's commencement of executing the Order.

2.4 Legally binding effect of statements

Statements made by the Principal in relation to Orders or amendments or additions thereto shall only be legally binding upon the Principal if they have been issued in writing or by fax by the responsible purchasing department.

The Contractor may only rely on statements made by other persons if the relevant purchasing department has been notified thereof immediately and has confirmed the matter in writing. This provision does not, however, apply to:

the utilization of packaging and transport options by means of issuing definitive shipping instructions; and

Call-outs against blanket orders.

2.5 Clarification of contradictions

In the event of contradictions between the terms of the contract concluded between Contractor and

Principal, the following order of precedence shall apply:

the written Order (by letter or fax);

the annexes referenced in the written Order, in particular the minutes of any negotiations;

and

these General Terms and Conditions.

If this order of precedence does not provide clarity, then the greatest possible suitability of the Contractor's Supplies and Services for the intended purpose shall be decisive in respect of questions regarding the scope of Supplies and Services to be rendered.

In all cases of doubt regarding the fulfillment of the Contract, the Contractor shall consult with the

Principal and mutually agree upon a solution.

The Contractor is obliged to immediately notify the Principal of any inconsistencies in the specification of Supplies and Services to be rendered.

Headings are for convenience only and shall not affect the construction or interpretation of the respective provision.

3 Pricing

3.1 Type of price

The prices specified in the Order are fixed prices exclusive of value added tax and inclusive of all the expenses to be incurred by the Contractor in connection with the provision of the Supplies and Services.

Specifically, this includes, but is not limited to, any and all costs for transport, insurance, packaging, taxes, duties and other charges that relate to the Contractor's Supplies and Services in the countries in which they are provided.

The Principal shall only bear costs that are expressly specified in the Order as being the responsibility of the Principal.

Any amendments or additions to the Order, as well as orders for replacement and wear parts, shall be governed by the conditions of the principal Order.

3.2 Pricing terms

Unless stipulated otherwise in the Order, prices shall be quoted "free carrier" (FCA) point of destination as per INCOTERMS 2000.

Prices shall include the costs of documentation, technical inspection, paintwork,

corrosion protection, labeling, signage, etc.

For deliveries abroad, export clearance shall be included in the Services of the Contractor (customs clearance with Contractor's own documentation including assumption of all associated costs and charges).

4 Payment Terms

4.1 Invoicing

Invoices shall be submitted to Torch Cutting Technology S.L. in single copy and must indicate the Order number.

Contractors from EU member states shall specify the movement of goods and the statutorily required details regarding exemption from taxation on all invoices.

4.2 Payment

The agreed (installment) payments shall be made within the applicable payment term after receipt of invoice and after all the conditions stipulated in the Order, in particular those regarding the provision of proper documentation, have been complied with.

Payment shall not be interpreted as confirmation of proper performance with regard to Contractor's

Supplies and Services and therefore does not constitute a waiver of Principal's claims in relation to fulfillment, warranty, damages, etc.

4.3 Liability retainer

The Principal is entitled to retain an agreed liability retainer as a non-interest bearing security to cover potential warranty, guarantee or damage claims for a period of 45 days over and above the guarantee period.

4.4 Final invoice

The final payment shall only be released upon submission of an overall final invoice for all the Supplies and Services rendered by the Contractor in accordance with the Order and all claims associated therewith.

By submitting the final invoice, the Contractor declares that it has asserted all outstanding claims in connection with the respective transaction and that no further claims will be made.

5 Subcontracting

5.1 Approval

The Contractor is obliged to inform the Principal in sufficient time of any intended subcontracting arrangements and to seek the Principal's prior written approval.

Upon request, the Contractor shall make a copy of the relevant subcontract order available to the Principal.

This obligation to provide information and seek approval does not, however, apply to standard parts and components.

If the Contractor fails to comply with these obligations, it shall be required to indemnify the Principal for all consequences arising there from, specifically in relation to the following criteria:
quality scheduling/delays compensation requirements technical cross-standardization
compliance with the Final Customer's subcontracting requirements
customs notification, customs clearance, import and transport.

In the event of any subcontracting by the Contractor that has not been authorized by the Principal, the Contractor shall, irrespective of other consequences, immediately pay the Principal a contractual penalty in the amount of 10% of the value of the subcontract order(s).

This shall not affect the Principal's right of rescission as a result of any unauthorized subcontracting arrangements.

The Principal's approval of any subcontracting shall not limit the Contractor's obligations in any way. Notwithstanding any subcontracting authorized hereunder, the Contractor shall remain fully liable to the Principal for the fulfillment of the entire Order.

5.2 Origin of Supplies/Services

The minimum content of Supplies/Services from a particular country pursuant to the requirements of the credit institute or any other financing and/or insurance institution, as stipulated in the Order, shall be strictly adhered to and demonstrated to the Principal.

The Principal or the respective other financing and/or insurance institution abroad shall be entitled at any time to request verification at no additional cost. In addition to the transfer of the exporter's liability to the Contractor by means of a counter guarantee to the Principal (if agreed), the Contractor, in the event of a breach of this obligation, shall fully indemnify the Principal for any and all claims with respect to additional costs incurred as a result of the loss of a preferential export loan for the whole financing period, and the consequences arising from the withdrawal of insurance cover for the commercial and political payment risk in the event of loss or damage.

6 Documentation

6.1 Significance of documentation

Documentation includes all documents accompanying the Supplies and Services provided by the Contractor in written, graphic or other form, whose purpose is to enable the Contractor and the Principal to fulfill their obligations towards their contracting partners and the government authorities that are involved in the transaction in a timely and economical fashion.

Such documents relate, *inter alia*, to the aspects of production, quality control, potential hazards, safety regulations, shipping, transport, export, transit, import, customs clearance, taxation, identification of parts, logistics, storage, assembly, commissioning, training, bookkeeping, invoicing, operational management, repairs, maintenance, the procurement of replacement parts, etc.

The documentation forms a significant part of the Contractor's scope of Services.

The Principal has an unlimited right of use to the documentation and is entitled, *inter alia*, to pass on the documentation received from the Contractor or its subcontractors to Principal's

other contracting partners or the Final Customer.

6.2 Scope

Documentation shall be provided to the extent required by the Order.

If no detailed specifications are provided, the documentation shall comply with the specific transaction in terms of scope, quality and time, and must be provided in the language stipulated in the Order.

The documentation shall be supplied, unless otherwise agreed, “delivered duty paid” (DDP) as per INCOTERMS 2000 to the Principal’s address.

6.3 Shipping documentation

The shipping documentation shall comply with the Principal’s shipping instructions and packaging guidelines.

The documentation must clearly state the complete and correct Order number and product designation in order to enable, *inter alia*, allocation to the correct customs tariff. The designation of parts must be identical throughout the entire documentation. Above all, it is essential that the designations used in drawings, parts lists, packing lists and shipping documents are exactly the same.

6.4 Documentation of origin

The Contractor, at no extra cost to the Principal, shall attach to goods exchanged in cross-border trade the applicable evidence of preferential tariff treatment (movement certificate, preferential certificate of origin, certificate of origin, confirmation of origin, declaration of origin or similar) that is required for preferential import customs clearance in the country of destination.

Specifically, the evidence of preferential tariff treatment must contain the item number and the Principal’s Order number.

The value of the goods may not be indicated! Unless otherwise agreed, the Contractor’s country shall be the country of origin.

Certificate of origin:

Upon Principal's request, the certificate of origin shall be authenticated by the competent chamber of commerce and by the relevant consulate.

Confirmation of origin:

In the event that the certificate of origin is to be provided by the Principal, the Contractor, upon Principal's request, shall provide a confirmation of origin for each individual part, specifying the manufacturer (including its exact address) and/or the country of origin.

All charges, dues and additional costs incurred as a result of the failure to provide such documents or as a result of incorrect statements are to be borne by the Contractor.

6.5 Inspection documentation

To the extent required in the individual case, the inspection documentation provided by the Contractor shall consist of quality control reports, test reports, etc. and shall also include time schedules and progress reports.

6.6 Assembly documentation

Documents required for proper and economical assembly shall be provided in accordance with the time schedule and the actual progress of the assembly work.

7 Accompanying Controls

7.1 Inspections

The Contractor shall authorize the Principal, the Final Customer and any persons commissioned by them, to inspect the activities undertaken in connection with the fulfillment of the contract at any time.

This includes, but is not limited to, inspecting the planning and production activities with regard to quality and adherence to time schedules, sampling, inspecting the packaging activities with regard to quality and compliance of the packing lists with the package contents, loading inspections, etc.

For this purpose, the Contractor shall grant the Principal and the Final Customer or their agent's access to the relevant workspaces and documents on the premises of the Contractor and its subcontractors, keep the Principal fully informed of the actual progress in terms of delivery deadlines, and notify the Principal of any foreseeable changes in time schedules.

Prior to the technical inspection by the inspection team, the Contractor is required to carry out a full inspection on its own and shall furnish detailed results thereof (test report and certificates, etc.) for final inspection.

Upon Principal's request, the Contractor shall be present at the final inspection.

To ensure a proper and effective performance of the inspections, the Contractor shall provide, at its own cost, assistance, materials, labor, interpreters, power, suitable testing facilities, test equipment as well as skilled and unskilled workers for handling, opening or sealing cases/crates, etc.

The Contractor is required to ensure that all plants/plant components, etc. are readily accessible from all sides, accident-proof and, unless otherwise stipulated, made available for inspection unpainted and preassembled.

The performance or waiver of an inspection by the Principal shall not limit the Contractor's obligations in any way.

7.2 Documentation

For an inspection, the Contractor shall provide the required inspection documentation. For packaging inspections, the relevant packaging lists must be provided.

Incomplete/incorrect inspection documentation may result in repeat inspections.

The inspection documentation must be provided to the Principal's inspector in the requested number of copies during the inspection or sent by an agreed date.

If the Principal waives an inspection, the inspection documentation shall be submitted to the Principal either immediately or within the agreed period of time, but, in any event, prior to dispatch of the plant/plant components.

The inspection documentation must be produced in a clear and concise form, grouped by item numbers, containing a table of contents, etc. and organized in files/folders.

7.3 Costs

The Contractor and the Principal/Final Customer shall each bear the costs for their own personnel or inspection teams.

If a (positive) inspection does not take place for reasons for which the Contractor is responsible, all costs arising from a repeat inspection shall be borne by the Contractor.

8 Shipping

8.1 Shipping instructions

The Contractor undertakes to comply with the Principal's shipping instructions and packaging guidelines.

The Principal reserves the right to adjust the shipping instructions to suit actual requirements during the assembly of the Plant. Any additional costs arising from a failure to comply with the shipping instructions, e.g. special transports (air freight) and the corresponding packaging requirements, shall be borne by the Contractor.

8.2 Export customs clearance

If "export customs cleared" is agreed as part of the pricing, the Contractor shall facilitate customs clearance with its own documents, with all costs and charges arising in this

connection being borne by the Contractor.

9 Due Dates

9.1 Delivery date

For the documentation, the delivery date shall be the date of the Principal's "receipt" stamp or the Principal's confirmation of receipt, provided the documentation has been completely and correctly submitted as per the terms of the Order.

For Supplies and Services, the delivery date shall be the date of the complete and defect-free performance of the relevant Contractor obligations in accordance with the Order, including provision of the complete and correct documentation.

9.2 Delays

If the Contractor realizes that it will be unable to comply with the agreed deadlines and due dates, it shall notify the Principal in writing immediately, stating the reasons for and the anticipated duration of the delay.

Where the Order requires the Principal to fulfill certain conditions by a certain date in order for the delivery date to be achieved by the Contractor, the Contractor must demonstrably and at an early stage press for the Principal to do so.

If the Contractor fails to do so, it may not, in the event of delays in the provision of its Supplies and Services, rely on any delay on the part of the Principal.

If, in spite of its efforts to expedite the situation, it should prove impossible for the Contractor to comply with a deadline as a result of late performance by the Principal, then the agreed due dates and deadlines shall be extended by no more than the duration of the delay for which the Principal is responsible, and without additional costs for the latter.

The date of the original deadline extended by a period equal to the duration of the delay shall be considered to be the new due date, which shall be subject to a contractual penalty.

In all cases of threatened or actual delays, the Contractor is obliged, irrespective of their cause, to schedule its execution of the Order in as flexible a manner as possible in order to minimize the delays.

9.3 Storage

If the delivery dates agreed in the Order should change for reasons outside the Contractor's control, the Contractor agrees to arrange for proper storage on behalf of the Principal for up to 3 months at the Contractor's risk and expense.

Payments affected by such storage arrangements may be released against a confirmation of storage, certificate of transfer of ownership, bank guarantee, etc.

If goods are stored, whole or partial deliveries are only permitted upon receipt of written release for shipment by the Principal.

9.4 Early fulfillment

The provision of Supplies/Services prior to their due date is only permitted with the Principal's written approval and shall not entitle the Contractor to early payment.

10 Contractual Penalties

10.1 Delays

If the Contractor fails to comply with the due dates, interim and final deadlines agreed in the Order, it shall be liable for the following contractual penalties, each calculated on the basis of the total Order value and the period that elapses until the actual delivery date. The contractual penalties may, if necessary, be offset against outstanding amounts invoiced by the Contractor or other amounts payable to it.

Supplies and Services

1% per commenced week of delay, up to a maximum of 10% of the total Order value

Documentation

0.5% per commenced week of delay, up to a maximum of 5% of the total Order value

The Contractor's obligation to pay a contractual penalty arises upon the commencement of the delay. In the event of defects in Supplies/Services, the time between the acceptance of delivery and the notification of a defect by the Principal is not subject to a contractual penalty.

Acceptance of a delivery does not require the Principal to immediately raise penalty claims in order to be entitled to payment of a contractual penalty at a later date.

The payment of contractual penalties does not release the Contractor from its duty of performance and any liabilities resulting there from.

10.2 Failure to comply with shipping instructions

The Contractor shall compensate the Principal for all costs incurred as a result of Contractor's failure to observe or correctly comply with the shipping instructions. The minimum payment in each individual case shall be EUR 500.00.

10.3 Non-compliance with guaranteed characteristics

Even if the Order stipulates contractual penalties in the event of defects (e.g. performance penalties), the Contractor shall not be released from its obligation to ensure that its Supplies and Services are suitable for the intended purpose.

11 Contractor's Liability

11.1 Guarantee

In addition to the expressly specified or otherwise agreed or generally assumed characteristics, the Contractor guarantees the completeness of its Supplies and Services and their suitability for the specific purpose they are intended for.

In particular, the Contractor guarantees the suitability of the Supplies and Services for continuous operation within the Plant under the operating conditions prevailing at the site of operation, compliance with all standards and regulations applicable at the site of operation (especially with respect to safety and environmental protection), uninterrupted availability in compliance with adequate performance and consumption standards, ease of assembly, servicing and repair, and design and execution according to the current state of the art.

11.2 Guarantee period, rectification of defects

The guarantee period shall end 24 months after acceptance of the Plant, and in any event no later than 36 months from the date of final delivery in accordance with the Order.

The guarantee period shall be extended by the length of any periods of downtime resulting from effects. In the event of an exchange or repair of a part, a new guarantee period of the same duration as for the original delivery shall commence with the installation of the new part and/or the completion of the repair.

The guarantee period for buildings and steel structures shall be 24 months from acceptance of the Plant, and no longer than 36 months from the overall completion. For corrosion protection, a guarantee period of 36 months from acceptance of the Plant and no longer than 5 years from completion shall apply.

The Contractor waives the defense of delayed notification of defects.

There is no obligation on the part of the Principal to inspect the Supplies/Services provided by the Contractor prior to the agreed function and performance tests.

Any defects arising before or during the guarantee period must be remedied without delay by the Contractor on the site where its Supplies are in operation, either by exchange or repair at the Principal's discretion. All activities required and costs incurred in connection therewith, such as transport, customs duties, dismantling and assembly, etc. shall be carried out or borne by the Contractor.

In the case of smaller defects (up to EUR 7,000 per individual case) or defects which must be remedied immediately, especially in time-critical phases (e.g. Trial Run), the Principal is entitled, without notifying the Contractor in advance, to remedy the defects or have them remedied at the Contractor's expense. The Principal's other rights or claims shall remain unaffected thereby. The same also applies if the Contractor, despite having been requested to do so, fails to remedy the defects in a timely manner.

11.3 Liability for documentation

The Contractor hereby declares to be aware of the importance attached to the fulfillment of its obligations in connection with the submission of documentation and acknowledges that it shall be held liable for the consequences of any delays and/or defects in that regard.

This also includes any losses of interest or financing costs which the Principal sustains due to late receipt of payments.

11.4 Engineering liability

The Contractor guarantees the correctness and completeness of its engineering services, advisory activities and documentation.

11.5 Replacement parts

The Contractor guarantees that the quantity of jointly selected and quoted as “necessary” spare parts, wear parts and replacement parts is fully adequate for the period starting from commissioning until, unless agreed otherwise, expiry of 2 years of continuous operation.

If this is not the case, the Contractor shall supply additional parts “delivered duty paid” (DDP) to a destination specified by the Principal (as a rule the assembly site) as per INCOTERMS 2000, which shall be free of charge including packaging.

The guarantee period commences upon installation or commissioning of the respective parts. The Contractor guarantees the availability of spare parts, wear parts and replacement parts for

Contractor’s Supplies for a period of 10 years from the end of the guarantee period.

12 Acceptance

12.1 Definition

The term “acceptance” denotes the recorded confirmation by the Final Customer that the Plant, together with the Contractor’s Supplies and Services, has been completed as

contractually agreed and without defect. Specifically, for Supplies and Services provided in connection with machinery or special processes, this includes proof of compliance with the performance values (e.g. capacity, product quality, consumption, emissions) by means of an agreed or generally applicable Performance Test.

12.2 Delay in acceptance caused by the Contractor

If a Performance Test fails or if acceptance does not take place due to other defects, the Principal shall grant the Contractor an appropriate grace period for carrying out the required remedial work. This period is determined upon due consideration of the overall consequences for the Plant.

Any costs for personnel, materials or operating resources incurred by the Principal as a result of a failed Performance Test for which the Contractor is responsible shall be borne by the Contractor.

If acceptance does not take place within an adequate period of time for reasons for which the Contractor is liable, or if the Contractor erroneously states that its Supplies/Services are ready for acceptance, the Principal shall be entitled to demand either contractual penalties or a reduction in price, or, in the event of serious defects, to withdraw from the contract while retaining its right to claim damages.

12.3 Delay in acceptance caused by the Principal/Final Customer

If the Contractor's guarantee period has already expired due to the deadlines stipulated in Art. 11.2 without the Principal having been able to carry out a Performance Test, the Principal's right to performance with regard to Services that have as yet not been provided, together with the characteristics warranted in that respect, shall remain in full force and effect.

The liability retainer shall likewise remain in effect until performance is completed.

13 Export License

It is the responsibility of the Contractor to procure, at its own cost, any export licenses required for export to the customer's country. Provided that the Contractor is notified of the Final Customer's identity at the time the Order is placed, the Contractor is obliged to procure export licenses for this Final Customer, including approval for delivery "via XY".

The Contractor warrants that, at the time the Order is placed, the complete delivery of all items ordered is assured and that the provision of the Supplies and Services in their entirety is not restricted by any official regulations or other limitations.

The Contractor shall be liable for any losses incurred by the Principal and/or the Final Customer as a result of any such restriction.

After conclusion of the contract, the Contractor shall inform the Principal in due time of any new export bans/restrictions and shall put forward, at an early stage, alternative solutions at no extra cost to the Principal.

14 Industrial Property Rights

14.1 Rights of third parties

The Contractor undertakes to ensure that the use of the Supplies and Services provided by the Contractor may in no way be compromised by the assertion of third-party rights (copyrights, trademarks, prototypes, patents, territorial protection, etc.) and that no existing boycott clauses, black lists, etc. will be violated.

The Contractor shall notify the Principal without delay of any infringement of third-party rights that comes to its attention at a later date.

If any such infringement or violation should be alleged, the Contractor undertakes to indemnify the Principal and/or the Final Customer for any claims of third parties and to guarantee unrestricted use by the Principal and/or Final Customer of the Supplies/Services ordered or another acceptable alternative at no extra cost to the Principal and the Final Customer.

14.2 Confidentiality

Without the Principal's prior written approval, the Contractor shall neither publicly disclose, nor use for advertising or other purposes, details about the Order or the transaction, nor any other information and documentation received from the Principal, including any information and documentation developed by the Contractor on the basis thereof.

In particular, the Contractor shall treat engineering documents provided by the Principal in strict confidence and shall use them solely and exclusively for the execution of the Order. Any persons who have access to the information and documentation must be subject to an appropriate obligation of secrecy. In the event of a breach of this secrecy obligation, the Contractor shall also be obliged to indemnify the Principal for claims asserted by third parties also be obliged to indemnify the Principal for claims asserted by third parties.

14.3 Copyright

The ownership and exclusive right of use of the drawings, information and know-how made available to the Contractor by the Principal shall remain with the Principal.

The Contractor acknowledges the Principal's exclusive copyright thereof.

14.4 Inventions

Inventions and improvements made by the Contractor or its employees in connection with the execution of the Order must be offered to the Principal for its use.

The rights of use may only be sold or transferred to third parties with the Principal's express written authorization.

14.5 Follow-up orders

To protect the Principal's know-how acquired by the Contractor in connection with the contract and to ensure the continued optimal operation of the Plant after the end of the warranty period, the Contractor shall not directly transact any follow-up orders from the customer/Final Customer or their agents relating to the Plant supplied by the Principal for a period of 10 years after final delivery.

The Contractor undertakes not to make any direct or indirect offers to the Final Customer, for example for replacement and wear parts, without the consent of the Principal as a sales partner.

15 Force Majeure

The Contractor shall be fully or partially released from its obligation to fulfill the contract on schedule if it is prevented from doing so by force majeure.

Only events unforeseeable and unavoidable for an experienced contractor shall be deemed to be force majeure events.

The Contractor may only claim force majeure if it notifies the Principal immediately by registered letter, and at the latest within 5 calendar days, of the event of force majeure that prevents it from performing its contractual duties.

This notification must include a written statement, certified by the respective government body or chamber of commerce in the country where the force majeure event impedes the Supplies/Services that are to be rendered, which indicates the commencement date and expected duration of the force majeure event and outlines the cause, anticipated effects and duration of the delay.

In the event of force majeure, the Contractor shall use all reasonable efforts to overcome or mitigate the obstructions and foreseeable damages resulting there from and shall keep the Principal fully and regularly informed of its activities in this respect.

Due dates and deadlines that cannot be complied with as a result of force majeure shall be extended by the duration of the force majeure period.

If an event of force majeure continues for a period of more than 4 weeks, the Principal is entitled to withdraw in full or in part from the contract.

The Principal shall not be liable towards the Contractor for the consequences of adverse effects on

the fulfillment of the contract which were caused by the force majeure event.

16 Withdrawal

16.1 Breach of contract

In the event of a serious breach of contract, the Principal is entitled to withdraw from the contract either in full or in part after setting an appropriate grace period (14 days as a rule). Furthermore, the Principal is entitled to withdraw from the contract without setting a grace period in the following cases:

The Contractor, after having received a reminder from the Principal calling for the proper fulfillment of its contractual duties, has, in fact, been given a reasonable grace period, even if no grace period was expressly set nor an explicit threat of withdrawal made in that reminder;
or

The Principal has reason to believe, even prior to the contractually agreed due date, that the Contractor is not, or will not be, able or willing to fulfill significant contractual obligations in a timely manner.

Serious breaches of contract include any delays to interim or final due dates or defects that would endanger the fulfillment of the contract on the part of the Principal towards its

contracting partners, even if such delay or defect is sanctioned by a contractual penalty.

In such cases, the Principal is entitled to provide, or have provided by a third party, the neglected or inadequate Supplies and Services at the Contractor's expense (substitute performance).

The costs incurred in connection therewith may either be invoiced directly by the Principal, with a payment term of 30 days from the invoice date, or deducted from the next payment due by the Principal to the Contractor.

The Contractor shall repay the amounts it has received from the Principal for Supplies or Services not

yet provided at the date of early termination, plus any financing costs incurred by the Principal.

If execution of the right to substitute performance requires access to equipment or materials that is/are located on the premises of the Contractor or its subcontractors, the Contractor shall be obliged to release such equipment or materials to the Principal.

If execution of the right to substitute performance requires access to industrial property rights, documentation (e.g. workshop drawings, calculations, etc.) or other information, the Contractor shall

be obliged to furnish the Principal with the required rights, documentation or information.

16.2 Contractor's financial solvency

If bankruptcy or settlement proceedings are threatened or instituted against the Contractor or one of its subcontractors, or in the event of changes to the Contractor's ownership structure, the Contractor shall immediately notify the Principal of the full particulars thereof.

If bankruptcy proceedings are instituted against the Contractor or in the event of a change in the Contractor's ownership structure, the Principal shall be entitled to immediately take possession of the Supplies/Services stored with the Contractor and/or its subcontractors, and/or shall be entitled to immediately withdraw from the contract in full or in part.

16.3 Cancellation

The Principal is entitled to withdraw from the contract in full or in part even if the Contractor is not at fault. In such a case, the Principal shall pay to the Contractor the contractually agreed price prorated by the portion of the Supplies and Services already provided, and shall reimburse the Contractor for any substantiated direct costs incurred for work already in progress on Supplies and Services, and for the cancellation of subcontracts.

Upon receipt of the notice of withdrawal, the Contractor shall make every effort to keep the costs to

be repaid by the Principal to an absolute minimum.

If the Principal withdraws from the contract due to the early termination of the Customer Contract, the Contractor shall receive a proportional share of the payments made by the Final Customer on the basis of the Customer Contract for those Supplies and Services provided by the Contractor up until that point.

16.4 Right of use

In the event of a withdrawal from the contract, the Principal is entitled to use the ordered Supplies/Services free of charge until an alternative solution has been accepted.

16.5 Suspension

The Principal is entitled to request the Contractor to suspend work on the contract at any time. In such a case, the Contractor shall provide the Principal with a detailed description of the consequences of the suspension and propose to the Principal the economically most favorable

solution as regards changes to the schedule for the relevant project. For suspensions not exceeding 3

months, the Contractor shall not be entitled to any compensation.

17 Miscellaneous Provisions

17.1 Transfer of risk

The transfer of risk is governed by INCOTERMS 2010.

17.2 Transfer of ownership

Transfer of ownership to the Principal shall take place concurrently with the transfer of risk.

17.3 Assembly equipment

Equipment for assembly, commissioning, etc., which is only intended for temporary use on the assembly site, shall remain in the Contractor's ownership and at the Contractor's risk. In particular, the Contractor shall ensure that no costs arise for the Principal in connection with the import/export of such equipment.

17.4 Insurance

Unless otherwise agreed, the Contractor shall be responsible for obtaining any required insurance cover.

If the Contractor is co-insured under an insurance policy held by the Principal, the Contractor hereby acknowledges that it must comply with the relevant conditions of insurance.

The Contractor thus undertakes to fulfill all its obligations in connection with such insurance cover, including the provision of information on request, adherence to instructions, compliance with obligations, etc.

17.5 Power of representation

Persons making statements to the Principal on behalf of the Contractor shall be considered to be duly authorized to do so.

17.6 Liability towards the Contractor

For additional costs incurred by the Contractor that are caused by the Final Customer or other third parties, the Principal shall only be liable to the extent that

it receives compensation from the originator.

Principal's liability for loss of profit or loss of production is expressly excluded.

17.7 Third-party claims

The Contractor shall fully indemnify the Principal for any third-party claims in connection with faults or the improper execution of its Supplies and Services.

17.8 Assignment

The assignment of the Contractor's rights shall only be permitted with the Principal's express written approval.

17.9 Changes to services

The Contractor shall notify the Principal of any potential for improvements to the object of the contract of which it becomes aware, and to offer these to the Principal. However, any amendments or changes to the scope of the contract may only be made by means of a supplementary order.

18 Applicable Law and Jurisdiction

18.1 Applicable law

Spanish law shall apply, to the exclusion of any conflict of law rules. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded in all cases.

18.2 Place of jurisdiction

Any disputes, particularly those arising out of or in connection with the existence of a contract or the claims arising there under, shall be settled by the competent court in Bilbao, Spain. However, the Principal is entitled to bring a suit against the Contractor at another court, for example at the Contractor's place of general jurisdiction.