## General Terms and Conditions of Purchase of MFR Power Solution GmbH

The contractual relationships between MFR Power Solution GmbH ("MFR") and its contractors are governed exclusively by the following General Terms and Conditions of Purchase, which become an integral part of the respective contractual relationship on their inclusion. The General Terms and Conditions of Purchase apply in particular to the following activities of MFR:

- manufacture and sale of spare and supply parts for steam turbines.
- maintenance of steam turbines and their parts,
- installation, distribution and manufacture of measurement and control technology,
- engineering,
- trade in plant components,
- manufacture and distribution of all types of metal products.
- production of machines, tools and moulds
- mechanical processing of all types of metal products.
- all types of orders to third parties to carry out the above and the other activities of the business

The General Terms and Conditions of Purchase also apply to other activities that are the subject of the contractual relationship and its contractual partner.

## § 1 Scope / Deviating conditions

These General Terms and Conditions of Purchase are deemed to be exclusively agreed terms and conditions. Conflicting or deviating terms and conditions of the contractual partners are not accepted, unless the contrary is expressly agreed or agreed in writing. The latter shall also apply if, in the knowledge of conflicting or deviating conditions of the contractual partner, unconditional consent or agreement is given. These terms and conditions apply exclusively to commercial matters.

In the case of business relationships that go beyond a single order, the present terms and conditions also apply to all future relationships with the respective contractual partner.

#### § 2 Requirement for the written form

All agreements between MFR and its contractual partner, including agreements and/or adjustments to the General Terms and Conditions of Purchase themselves, must be made in writing. This also applies to agreements to cancel the requirement for the written form. All agreements made between the contractual party and MFR for the execution of purchase contracts are laid down in writing in the contracts.

All agreements made between MFR and the contractual partner in connection with the contracts are set out in writing in the contract, these terms and conditions and order confirmation of MFR.

# § 3 Conclusion of contract / intellectual property rights

Contractual partners of MFR must always state the proposed total costs when preparing tenders. Cost estimates are to be prepared free of charge, unless the parties agree otherwise. The cost estimates are binding.

An order placed by MFR must be confirmed in writing to MFR without delay, and no later than within three weeks after the order has been placed, together with confirmation of price/costs and delivery time.

MFR reserves the right of ownership, copyright and all other intellectual property rights for all illustrations, drawings, calculations, samples, models and other information and objects provided in the context of the performance of the order, if these are provided by MFR. If the information and items referred to in clause (1) are submitted by the contractual party, the latter guarantees at the conclusion of the contract, no later than on submission of the information and items, that it is the authorized owner/author or

copyright holder is or that rights of use, licences or other permits have been granted to it by the actual rights holder. MFR shall not monitor this separately. The contractual partner shall indemnify MFR against all claims of third parties in the event of a breach of the aforementioned guarantee.

Information and objects pursuant to § 3 (3) clause (1) may not be made accessible to third parties without the express written consent of MFR. The documents are to be used exclusively for the fulfilment of contractual obligations. Once the contract has been concluded and the transaction has been settled, documents provided to the other party shall be returned to MFR. The right of retention of MFR documents is excluded.

# § 4 Confidentiality and duty to confidentiality

The contractual partners of MFR are obliged to maintain confidentiality about all circumstances that they have learned in the context of an order, and in particular to keep confidential information from illustrations, drawings, calculations and other documents within the meaning of § 3 that has become known to them, even after termination of the contractual relationship.

#### § 5 Terms of payment

Payments to the contractual partner shall be made within 30 days of the transfer of risk in accordance with § 7 of the Terms and Conditions, but no earlier than upon receipt of the invoice.

The deduction of discounts is permitted solely in the event of a special written agreement between MFR and the contractual partner.

Update: October 2015 page 1 of 3

The contractually agreed purchase prices include delivery costs. The payment of insurance and packaging costs are regulated separately for each order. The same applies to amounts in excess of such costs incurred as a result of multiple partial deliveries or multiple attempts at delivery.

The invoices issued to MFR shall indicate the statutory value-added tax separately, otherwise it shall be regarded as included in the prices. Accordingly, invoices addressed to MFR must be properly prepared so that a right to deduct input tax is possible.

The contractual partner must bear any damages incurred as a result of the respective contractual partner of MFR disregarding this, unless it proves that it is not responsible for such damages.

The mutual possibility of offsetting or retention exists only if it concerns counterclaims that are undisputed or legally established.

Other rights of offsetting and retention are excluded.

# § 6 Delivery times, delay and liability in the event of delay

The contractual partner shall fulfil all obligations incumbent on it properly and in good time.

In the event of delay of a delivery for which MFR is responsible occurs due to the culpable breach of a contractual obligation, § 9 shall apply.

Service provision to MFR before the agreed date entitles MFR to reject provision of the service until the due date. In the event of a delay, the resulting additional costs will be incurred by the contractual partner that is responsible for the delay. The same applies in cases where delivery is made to a location other than the contractually agreed location and additional transport is required.

If the contractual party recognizes that a delivery cannot be made on time, it must also immediately inform MFR of this in writing.

The statutory provisions apply to interest on the default.

#### § 7 Transfer of risk

In the case of orders placed by MFR, risk is transferred to MFR only upon handover or acceptance (if necessary) at the agreed delivery point. Delivery to a place other than the agreed delivery point does not involve a transfer of risk.

#### § 8 Complaints and limitation period

MFR undertakes to check the conformity of certain goods and parts within a period of two weeks after delivery. Complaints must be made in writing.

Unless otherwise agreed, the warranty claims of MFR expire within the limitation period. For repaired or

replaced goods, the period begins with the replacement delivery or with the elimination of defects.

# § 9 Exclusion of liability

The liability of MFR is limited in amount to twice the value of the underlying order. This limitation of liability does not apply to wilful or grossly negligent conduct, injury to life, limb or health, as well as to liability under the Product Liability Act.

MFR shall not be liable, for whatever legal reason, for any indirect or consequential damages or loss, such as loss of profit, loss of use or energy, capital costs or costs for the replacement procurement of energy.

The contractual partner shall immediately notify MFR in writing of any damage for which MFR is to be liable.

Insofar as claims for damages against MFR are excluded, this also applies to the personal liability of the statutory bodies, employees, other employees as well as representatives and vicarious agents of MFR.

Except in cases of mandatory liability, claims for damages against the MFR that are not subject to the limitation period as laid out in § 438 (1) No. 2 BGB or § 634 a (1) No. 2 BGB expire after one year from the start of the statutory limitation period.

#### § 10 Indemnity

If a claim is asserted against MFR by a third party and the cause of the claim lies within the scope of liability and/or organization of the respective contractual partner, the latter shall indemnify MFR from claims for damages or from other claims of third parties. This does not apply if the claim is based on grossly negligent or wilful action on the part of MFR or one of its vicarious agents.

Any further claims remain unaffected.

#### § 11 Notification in the event of distraint

For as long as ownership has not yet passed to MFR, the contractual partner must immediately notify MFR in writing if the object to be delivered is seized or subject to other interventions by third parties. Insofar as the third party is unable to reimburse the judicial and extrajudicial costs of legal action by MFR in accordance with § 771 ZPO, the contractual partner shall be liable for the resulting damage incurred by MFR.

# § 12 Cession/right of withdrawal

The cession of rights and obligations arising from the contractual relationship with MFR is permitted solely with its prior written consent.

MFR expressly reserves the right to withdraw from the contract in cases where the contractual party becomes insolvent or an out-of-court debt settlement procedure is carried out.

Update: October 2015 page 2 of 3

#### § 13 Data protection

The contractual partner agrees that its data can be used by MFR to the extent necessary to fulfil the contractual services (in particular checking the order and credit check).

# § 14 Choice of law, place of fulfilment, jurisdiction

It is explicitly stated that the law of the Federal Republic of Germany shall apply. The law of the UN Convention on Contracts for the International Sale of Goods (CIS) is excluded.

The place of performance is the registered office of MFR.

The place of jurisdiction is the registered office of MFR.

## § 15 Severability clause

Should provisions of these General Terms and Conditions be or become invalid or ineffective, the parties agree that the validity of the remaining provisions shall remain unaffected.

Update: October 2015 page 3 of 3