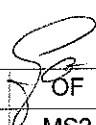
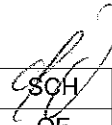
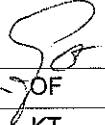


TGE GAS ENGINEERING GmbH

General Purchase Conditions

6	30-11-2007	IFU - Issued for Use	 OF	 SCH	 OF
5	28-09-2006	IFU - Issued for Use	MS2	OF	KT
4	21-10-2005	IFU - Issued for Use	MS2	KT	LJJ
3	22-09-2005	IFU - Issued for Use	MS2	KT	LJJ
2	03-12-2004	IFU - Issue For use	MS2	OF	LJJ
1	23-11-2004	IFU - Issue For use	MS2	OF	LJJ
0	24-09-2004	IDC - Inter Discipline Check	MS2	OF	LJJ
Rev.	Date	Subject of revision	Author	Checked	Validated



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General Purchase Conditions

GENERAL PURCHASE CONDITIONS

Applicable to the Agreement entered into between

- Contractor -

and

**TGE Gas Engineering GmbH
Mildred-Scheel-Strasse 1
D-53175 Bonn, Deutschland**

- TGE -

Project-No.: _____

Subject Matter of the Contract ("Subject Matter"):

For the Total Plant:

(Plant for the end customer)

in:

(Place of Use)



Table of Contents

	Page
1. Applicability.....	4
2. Subject Matter and Scope of the Agreement.....	4
3. QA/QC Requirements	5
4. Variations.....	5
5. Contractor’s Technical Documentation	5
6. Dates, Delivery and Packaging	6
7. Spare Parts	6
8. TGE’s Supply of Parts or Materials	7
9. Payment	7
10. Inspections and Tests	7
11. Retention of Title.....	8
12. Acceptance.....	8
13. Defects and Liability	8
14. Third Party Rights	9
15. Confidential Information.....	9
16. Termination and Withdrawal	10
17. Insurance	11
18. Final Provisions	11
19. Appendix A – Variation Order Form	12



STANDARD

81000/
TH75/STD/
0000/0001

General Purchase Conditions

1. Applicability

The following General Purchase Conditions of TGE shall be part of the order and shall apply to the aforementioned Agreement. Any other general terms and conditions shall not apply, even if their application has not been explicitly disputed or if deliveries are accepted with the knowledge of conflicting terms and conditions of the Contractor.

2. Subject Matter and Scope of the Agreement

2.1 All documents attached to the purchase order of TGE or specified therein form an integral part of the Agreement. In case of contradicting provisions, such provisions shall apply in the following order of precedence:

- (i) The written purchase order;
- (ii) The Technical Specifications;
- (iii) Delivery and packaging instructions;
- (iv) These General Purchase Conditions;

Orders, instructions or conditions amending the mutually agreed Agreement or these General Purchase Conditions shall only be valid and binding for the parties if they are confirmed in writing by TGE.

Previous agreements are not legally binding, unless specific reference to such agreements is made in TGE's order.

The Contractor is aware that onsite supervisors of TGE and other personnel of TGE at the construction site are not authorized to enter into agreements or agree to amendments or modifications of agreements with the Contractor.

2.2 The Contractor shall be solely responsible for ensuring that all planning parameters and other preconditions necessary for the complete, correct and correct fulfilment of his obligations in terms of goods and services, including guarantees entered into, are specified in the Agreement. The Contractor shall inform TGE promptly of any planning parameters or other documents missing. The Contractor may not rely on any determination missing of such planning parameters and preconditions in the Agreement once the Parties have agreed on the Subject Matter.

2.3 The Contractor shall promptly and carefully inspect the Subject Matter with regard to any technical mistakes or contradictions and, if applicable, inform TGE promptly.

2.4 The Planning, construction, manufacture and inspection of the Subject Matter as well as the drafting of technical documentation shall, unless otherwise determined in the Agreement, be carried out in accordance with the standards and regulations at the Place of Use of the Total Plant in their respective newest version and in accordance with the applicable building and security regulations as well as under adherence to the applicable accident prevention and safety regulations. The Subject Matter shall in any case fulfil the requirements of the applicable German and local regulations for technical work equipment, dangerous substances and protection of the environment.

2.5 The Contractor shall to the greatest possible extent manufacture the goods in its own workshop. The Contractor shall not assign or subcontract the Subject Matter or any part thereof without the prior written consent of TGE. As far as such consent was granted, the Contractor shall ensure that only reliable and qualified sub-contractors are engaged.



STANDARD

81000/
TH75/STD/
0000/0001

General Purchase Conditions

2.6 The Contractor shall supply the technical documentation and shall immediately revise such technical documentation if required due to any changes, findings or variations during the execution of the Agreement.

3. QA/QC Requirements

3.1 The Contractor shall have available a valid and well-documented system for quality assurance and control in compliance with the requirements stated in the contract.

3.2 TGE shall have the right to carry out quality audits and verifications of the Contractor's quality assurance and control system at the Contractor's workshop to satisfy himself that the requirements resulting from the nature of the Subject Matter, the technical documentation, which TGE has submitted to the Contractor (the "Technical Specifications") or these General Purchase Conditions are fulfilled. The Contractor shall assist TGE with regard to such audits at no additional costs to TGE.

3.3 As far as the Contractor has subcontracted certain tasks, he shall bind the subcontractor accordingly and shall ensure that TGE is granted an inspection right pursuant to sec. 3.2.

4. Variations

4.1 During the execution of the Agreement TGE shall have the right to request variations as far as such request may be considered as just and reasonable and as far as such request is necessary to effectuate the agreed success.

4.2 As far as TGE notifies the Contractor of a possible variation, the Contractor shall promptly provide TGE in writing with a preliminary estimate report of any effects of such variation, in particular on the consistency, quality, delivery date or possible additional costs. A description of the work to be performed under such variation and a detailed time schedule for the execution of the variation shall be included in the report.

TGE examines such report promptly and informs the Contractor within a reasonable time period whether he accepts the variation or not.

If TGE, in its own discretion, agrees to execute the variation, and as soon as the parties reach an agreement on the terms of the variation, TGE lodges a respective order with the Contractor.

4.3 A variation order shall be issued in the form as attached hereto as Appendix A and shall contain a full description of the work to be performed, the schedule of its execution, the effects on the total price and the delivery date.

4.4 A variation caused by reasons for which the Contractor is responsible ("*zu vertreten hat*") shall not entitle the Contractor to request changes to the price or to the delivery date.

5. Contractor's Technical Documentation

5.1 TGE retains any legal title and copyright in pictures, sketches, calculations and other documentation, which TGE makes available to the Contractor; such documents shall not be made available to third parties without the prior written consent of TGE. The documents shall only be used for the purpose of production set out in the order of TGE. Any such documentation shall be held confidential towards third parties; section 15 shall apply additionally.

5.2 As far as the Contractor has to deliver sketches and/or calculations to TGE pursuant to the Agreement, TGE reserves the right to inspect the sketches and calculations prior to the start of the production of the goods. The Contractor shall promptly notify TGE in writing of any changes made by the Contractor to its technical documentation, such as, but not limited to, drawings or specifications and shall clearly mark such changes.



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81000/
TH75/STD/
0000/0001

General Purchase Conditions

5.3 After having inspected the sketches and/or calculations TGE shall return such documentation and shall release the documents for the manufacture of the Subject Matter and, if any, request further changes.

5.4 The Contractor shall remove at his own expense any errors or deficiencies contained in the Contractor's technical documentation. All further rights, in particular any rights for performance or liability for defects, shall remain unaffected.

6. Dates, Delivery and Packaging

6.1 The dates agreed with the Contractor for the deliveries and services are binding. A schedule evidencing the actual manufacturing and delivery status shall be available at all times and shall be submitted to TGE in accordance with the Agreement between the parties, however, at least once a month.

6.2 Unless agreed otherwise, any delivery shall be made free of charge to the place of dispatch agreed upon (*Versandort*). Irrespective of the question of the costs of the shipment, the risk of a loss of the Subject Matter shall only pass at the place of dispatch agreed upon, unless an acceptance is agreed or provided pursuant to statutory provisions. In such case the risk of loss shall pass with the acceptance of the goods.

6.3 The Contractor shall carry out the delivery and packaging of the Subject Matter in accordance with TGE's delivery and packaging instructions.

6.4 All essential high-value components shall be photographed by the Contractor prior to as well as after packaging. These photos shall be submitted to TGE together with the shipping documents. TGE may reject deliveries without proper shipping documents or certificates of test, inspection or acceptance required.

6.5 The Contractor shall only be entitled to partial shipments upon the explicit prior written consent of TGE.

6.6 Unless agreed otherwise, the Contractor shall be liable for any culpable excess of the dates agreed pursuant to section 6.1 and shall pay a contractual penalty amounting to 0.25 % per calendar day of delay, maximum 5 % of the total value of the order. The reservation to claim such contractual penalty may be made until the final invoice.

6.7 As far as events or circumstances occur which foreseeably delay the delivery of the Subject Matter or the performance of the services, the Contractor shall inform TGE about the estimated time of delay. As far as the date of delivery is foreseeably delayed by circumstances for which the Contractor is responsible, the Contractor shall take all necessary and reasonable measures in order to accelerate the delivery of the Subject Matter or the performance of the services on its own costs.

6.8 Notwithstanding the applicability of statutory rights to withdraw from the contract in case of partial shipments, TGE shall have the right to withdraw from the contract prior to the maturity of the respective contractual obligation, if pursuant to the information provided in accordance with section 6.7 above, the delay will foreseeably result in a non-performance on the date of maturity and for such reason a danger for the security of the operation of the Total Plant will occur.

6.9 Any further statutory rights in case of default remain reserved; in particular TGE shall remain entitled to withdraw from the contract and shall be entitled to claim damages instead of delivery.

7. Spare Parts

The Contractor shall, upon TGE's request, provide spare parts to TGE at reasonable prices and subject to the conditions of this Agreement. The Contractor shall submit a recommendation of spare parts for the start-up and for an operating period of ten (10) years.



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TH75/STD/
0000/0001

General Purchase Conditions

8. TGE's Supply of Parts or Materials

- 8.1. As far as TGE supplies parts or materials to the Contractor for the purpose of manufacturing the Subject Matter, the Contractor may use these parts or materials exclusively for the Subject Matter. The Contractor shall inspect such parts and materials upon receipt. These parts or materials shall remain the property of TGE and must be stored, labelled as TGE's property and shall be recorded separately as well as safeguarded and insured as third party property by the Contractor at its own expense. The Contractor already now assigns any insurance claims to TGE.
- 8.2. As far as necessary, the Contractor shall keep a separate account of the parts and materials supplied and shall disclose the contents of such accounts to TGE upon request.
- 8.3. Any agreed processing or reshaping by the Contractor shall be made on behalf of TGE. As far as materials supplied by TGE are processed with other goods not owned by TGE, or mixed or joined with such other goods, TGE shall obtain joint legal title to the new good in relation to the value of the good supplied to the other goods at the time of processing, joining or mixing. As far as the processing, joining or mixing is made in a manner that a good of the Contractor is to be considered as main good, it shall be deemed as agreed that the Contractor transfers a respective partial joint legal title to such good ("*Miteigentum*").

9. Payment

- 9.1 The Contractor shall issue all invoices in accordance with the requirements of the Agreement and shall submit the invoices together with the documentation required and/or supporting information to TGE's accounting department. The invoice shall include the order number and the project number. Value added tax shall be shown, if applicable, separately. TGE shall pay to the Contractor the undisputed amount of such invoice in accordance with the payment terms set forth in the Agreement.
- 9.2 In case of reimbursable services and man-hours, Contractor shall submit time sheets, records and other relevant documents, including original invoices from Sub-Contractors with supporting documentation or information and all books of account in which such reimbursable items are recorded.
- 9.3 Payments made by TGE shall not constitute a waiver of any claim or right TGE may have at that time or thereafter, in particular claims regarding unsettled liens, warranty rights or indemnification obligations of the Contractor.
- 9.4 TGE reserves the right to make payments for the Subject Matter prior to delivery only against prior transfer of the ownership or the granting of an equal security.

10. Inspections and Tests

- 10.1 Irrespective of any acceptance procedures to be performed pursuant to statutory law or the parties' agreement, TGE and the end customer shall be entitled to request specific inspections and test with regard to the manufacture and quality of the Subject Matter and shall be entitled to attend such inspections and tests.
- 10.2 TGE shall bear its own costs for such inspections. The Contractor shall, however, provide the facilities for such inspections in its own workshop and shall bear the costs associated thereto. If repeated inspections are necessary due to defects and/or delays in the manufacture or delivery which are caused by the Contractor's fault, the Contractor shall bear TGE's and the costs of the owner of the plant for attending such repeated inspection. An inspection record shall be prepared detailing the inspecting results and shall be signed by the Contractor and, if present, by TGE and/or the owner of the plant.
- 10.3 The Contractor shall provide access to the premises to TGE and the owner of the plant, so that they can realize their rights pursuant to section 10.1. As far as the Contractor has engaged a



STANDARD

81000/
TH75/STD/
0000/0001

General Purchase Conditions

subcontractor he shall provide access to the premises of the subcontractor and shall bind such subcontractor accordingly.

- 10.4 The Contractor shall notify TGE in writing at least thirty (30) days prior the date of any inspection, which has to be confirmed in writing at least ten (10) days prior to the date of inspection. If TGE fails to attend at the place and date stated in the Contractor's notice, the Contractor may proceed with the inspection or test.
- 10.5 TGE and its agents including the end customer shall be entitled to carry out, if applicable, at their own costs, non-destructive testing (e. g. X-ray and ultra-sound tests) on a random basis. If defects are found, the Contractor shall be liable for the costs of such testing.

11. Retention of Title

- 11.1 TGE does not consent to any prolonged or extended retention of title clauses in favor of the Contractor.
- 11.2 As far as the Subject Matter shall be incorporated into another good, such incorporation shall not be made on behalf of the Contractor as the manufacturer.

12. Acceptance

- 12.1 As far as the acceptance of the Subject Matter is necessary pursuant to statutory provisions or is agreed between the Parties, such acceptance procedures for the Subject Matter shall be carried out formally by drafting a respective protocol to be signed by both parties.
- 12.2 The Contractor shall provide at not cost for TGE all test appliances and other equipments required for the acceptance of the Subject Matter and the tests related thereto and shall bear the costs of material incurred for such tests. The Contractor and TGE shall each bear their own personnel costs.
- 12.3 TGE shall only grant acceptance if the Subject Matter has been fully and duly assembled, the respective function tests, in particular mechanical trial runs, pressure tests, tests of gaskets, the calibration and testing of control cycles were fully successful and the goods could be put into operation fully and properly and the technical documentation was delivered. Statutory claims shall remain unaffected.
- 12.4 As far as the Agreement provides for certain operation data with regard to the Subject Matter, for example the consumption and volume streams, TGE will only grant acceptance of the deliveries and services of the Contractor after the successful trial run at the plant.
- 12.5 The exact date for acceptance shall be scheduled by TGE upon coordination with the Contractor and the end customer.

13. Defects and Liability

- 13.1 As far as TGE has the obligation to inspect the deliveries and services and to notify any defects, the notification in case of open defects shall be deemed to have been made in due time if it is received by the Contractor within ten (10) working days as of delivery at the place of performance. In case of hidden defects it shall be sufficient if the notification is received within ten (10) working days after detection.

As far as goods are delivered which were packed preserved, it shall be sufficient for the obligation to notify the defects if TGE or its agents inspect the Subject Matter upon first use and shall notify the Contractor then promptly.

- 13.2 All statutory claims regarding the liability for defects may be claimed by TGE unshortened; in particular TGE shall be entitled to claim post-performance by way of repair or delivery of a new good



STANDARD

81000/
TH75/STD/
0000/0001

General Purchase Conditions

from the Contractor. Further claims, in particular the right to withdraw from the contract and the right to claim damages instead of delivery remain expressly reserved.

- 13.3 The right of TGE to demand post-performance shall already exist prior to the completion of the Subject Matter.
- 13.4 The Contractor shall notify TGE promptly upon request of post-performance whether he removes the defect, manufactures the Subject Matter new or whether he denies any removal of defects.
- 13.5 As far as the Contractor does not comply with his post-performance obligation within a reasonable grace period set by TGE, TGE shall be entitled to remove the defects itself or have it removed without withdrawal from the contract.
- 13.6 The right of TGE to remove defects on its own shall already exist, if the Contractor does not comply with his obligation to remove defects which have been detected during the performance of the Agreement.
- 13.7 A grace period shall not be necessary if the post-performance is not effected until the predefined date or within a time period set and the debtor is bound to the continuation of its interest in the performance regarding the timeliness of the performance, if specific circumstances occur, taking into account the mutual interests, which justify the immediate withdrawal or if post performance has failed or is unreasonable. Post performance shall be deemed as failed if it was tried twice without success.
- 13.8 The Contractor shall give TGE all information necessary to remove the defects and to be able to evaluate the cause of the defect and all measures to be taken.
- 13.9 Parts which have been substituted are available for the Contractor at the Place of Use or shall be delivered by TGE to the Contractor upon the request of the Contractor upon his own cost and risk.
- 13.10 The statute of limitations period for any claim regarding the liability for defects shall be 36 months following the acceptance, if an acceptance has to be carried out, in all other cases as of the delivery of the good, unless other periods have been agreed or longer periods apply pursuant to statutory law.
- 13.11 TGE reserves all claims for damages. Any restrictions of liability by the Contractors do not apply unless they are expressly and individually agreed.

14. Third Party Rights

- 14.1 The Contractor warrants that the Subject Matter and its operation at the Place of Use does not infringe any third party's rights.
- 14.2 The Contractor shall indemnify TGE upon first request from all such claims raised by third parties. Contractor's obligation to indemnify TGE refers to all costs and expenses which TGE incurs necessarily as a result or in connection with the claims raised by such third party.
- 14.3 The statute of limitations period for the infringement of intellectual property rights shall amount to ten (10) years as of the conclusion of the Agreement.

15. Confidential Information

- 15.1 Any confidential information which the Contractor receives from TGE regarding the execution of the Subject Matter shall remain the sole property of TGE and shall be treated as confidential. These documents must not be copied, published or made available to third parties or used otherwise than for the execution of the Agreement without the prior written consent of TGE.
- 15.2 The Contractor shall cause all its sub-contractors to adhere to the terms of this section. The Contractor shall be responsible for any breach of these terms by its sub-Contractors.
- 15.3 The obligations imposed by the aforementioned section shall not apply, or shall cease to apply, to any confidential information, but only to the extent that the confidential information



STANDARD

81000/
TH75/STD/
0000/0001

General Purchase Conditions

- (a) was known to the Contractor prior to the receipt of the confidential information, as evidenced by its written records; or
 - (b) was, or becomes through no breach of the Contractor's obligations hereunder, known to the public; or
 - (c) becomes known to the Contractor from sources other than TGE under circumstances not involving any breach of any confidentiality obligation; or
 - (d) is independently developed by the Contractor, as evidenced by the written records thereof; or
 - (e) has been authorized in writing by TGE to be disclosed.
- 15.4 In the event that parts of the confidential information fall within one or more of the above exceptions, such exception or exceptions shall apply solely to that item or items of confidential information; however, even in such case the Contractor agrees to keep secret and confidential the fact that it obtained such confidential information from TGE.
- 15.5 Any legal title in the Technical Specifications as well as all drawings, documents, computer programs, models, data carriers and other technical information provided by TGE to the Contractor for the Contractor's performance of the Agreement shall at all times remain the sole property of TGE. Unless necessary for the execution of the Agreement, the Contractor shall not be granted any exploitation rights or licenses.
- 15.6 The Contractor shall not publish any details or information in connection with and about the Subject Matter, the plant or the end customer or cause any such publicity to be issued without TGE's prior written consent.
- 16. Termination and Withdrawal**
- 16.1 TGE shall be entitled to terminate the Agreement at any time. Unless the termination is made for good cause, TGE shall pay the agreed remuneration under deduction of the costs saved by the Contractor as well as such part of the remuneration which the Contractor has omitted to gain by other use of the work force elsewhere or which he maliciously failed to obtain. The Contractor shall disclose all costs occurred upon request of TGE and agrees to an inspection of such costs by TGE.
- 16.2 The Contractor agrees to adhere to a request to discontinue the manufacturing promptly.
- 16.3 The right of TGE to terminate the Agreement for good cause shall remain unaffected. In particular, a good cause shall exist if one of the following events is fulfilled:
- (a) The adjudication of insolvency proceedings or the order not to adjudicate insolvency proceedings due to a lack of assets,
 - (b) The severe breach of one of the obligations set out in the Agreement by the Contractor, which deteriorates the trusting relationship between the parties.
- 16.4 Notwithstanding any further statutory rights for withdrawal, TGE shall be entitled to withdraw from the Agreement, if the economic circumstances of the end customer have changed since the time of ordering by the customer, in particular if the end customer has terminated the order for the total plant without responsibility of TGE or if the approvals by local authorities necessary for the manufacturing or the operation of the total plant have not been granted.
- 16.5 Notwithstanding further statutory rights to withdraw from the contract, TGE shall be entitled to withdraw from the Agreement in part or in whole as far as TGE is not able to deliver the Subject Matter to the end customer due to force majeure.
- 16.6 In case of a termination or a withdrawal from the contract the Contractor shall return promptly to TGE any documentation which it has obtained in connection with the agreement.

**17. Insurance**

- 17.1 The Contractor shall maintain all required compulsory insurance policies in full force and effect during the term of the Agreement. All insurance policies of the Contractor must be taken out with internationally recognized insurance companies.
- 17.2 TGE reserves the right to demand from the Contractor certified or uncertified copies of these insurance certificates evidencing the insurance coverage required by the Purchase Order.
- 17.3 All premiums shall be for the Contractor's sole account and responsibility.

18. Final Provisions

- 18.1 The Contractor shall execute the Subject Matter for TGE's exclusive benefit. The Contractor's efforts shall include, but shall not be limited to, the establishment of measures to prevent its personnel from giving or receiving gifts, payments, loans, or any other inducement, for any purpose whatsoever from any person, firm, corporation or other body in connection with the performance of the Agreement.
- 18.2 The Contractor shall not be entitled to transfer any rights, claims or obligation out of or in connection with this Agreement without the prior express written consent of TGE, irrespective of whether in part or in whole, to third parties.
- 18.3 This Agreement and all claims out of or in connection with this Agreement shall be exclusively governed by German substantive law. The regulations of the Convention on the International Sale of Goods of 11 April 1980 shall not apply.
- 18.4 The contract language shall be English. Technical documentation shall also be delivered in the English language.
- 18.5 the place of jurisdiction for both parties shall be the seat of TGE. This shall also apply for actions on bills of exchange.
- 18.6 As far as reference is made to the Incoterms in the Agreement, the Incoterms shall apply in their respective newest version.



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General Purchase Conditions

19. Appendix A- Variation Order Form

Name of Company

Amendment to PO No: P P P P P - C C / S S . X X X X . Y Y Y Y

For attn of Mrs. Customer Contact

Amendment No: P P P P P . C C / S S . X X X X . Y Y Y N

Address line 1

Number to be mentioned on all documents.

Copy to be returned duly signed as acknowledgement.

XXXXXX City

Country

Contacts:	Name/Email:	Tel:	Fax:
Commercial matters:			
Logistics / Forwarding:			
Techn. Dept / Engineering:			
Expediting:			

Date: DD-MMM-

YYYY

This Amendment is in accordance with the same conditions as mentioned in the main PO unless different stipulations are made in the following. The sole conditions of this document apply for the specified goods / services. Terms and conditions, printed on Sellers letters, invoices, price- lists or any other document are not applicable. Seller is requested to acknowledge this document by returning latest within 8 days the duplicate signed for unconditional acceptance.

Subject: Subject of PO Amendment.	
Previous Purchase Order Value (EUR):	x,xxx,xxx.xx
Value of this Purchase Order Amendment N(EUR):	x,xxx,xxx.xx
Actual/Total Purchase Order Value(EUR):	x,xxx,xxx.xx

Packing:		
Delivery Date:	DD-MMM-YYYY	
Terms of delivery:		Delivery Location:
Delivery Address:		
Payment:		

Constituent parts of this AMENDMENT:		
1.	Continuation sheets:	N to N
2.		



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81000/
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General Purchase Conditions