1. Award of contract

1.1 Orders are only legally valid if drawn up on our order forms with a corporate signature or if confirmed in a letter.

1.2 Orders issued verbally, by phone, fax or electronic transmission must be confirmed by us in writing to become valid, unless our fax or electronic order states that no written order will follow.

1.3 Amendments or additions must always be agreed in writing.

2. Order confirmation

The seller shall return a copy of the order form to us without delay, bearing a corporate signature or an order reference. The order confirmation shall contain the following information: The details of supply are only binding for us if we have explicitly accepted them in writing. The order is also understood to be unconditional unless we have expressly agreed to its terms and conditions if the seller manifestly starts executing the order after receiving the order form.

3. Prices

3.1 The prices are fixed prices and apply DDP including packaging and preservation, supplied free of charge at the agreed place of destination, uninsured, pursuant to the Incoterms as amended, unless agreed otherwise.

3.2 If prices and conditions are not already stipulated in our order, the contract does not come into effect until written agreement has been reached about the prices or we explicitly declare that the usual remuneration (Section 362 of the German Civil Code [BGB]) is deemed to be paid.

3.3 The seller is aware that our price calculation is based on the agreed prices. In view of our resulting interest in keeping prices constant, the seller undertakes to execute subsequent orders at the agreed prices. The prices only become effective if the agreshed price has been a significant change in costs relating to the order (e.g. wages, carriage, energy) consistent with the extent of cost factors. We shall specify the type and scope of the adjustment at our discretion (Section 315 BGB).

4. Delivery time

4.1 The seller must inform us immediately when it becomes apparent that the agreed delivery period will not be met. This does not affect the obligation to comply with the agreed deadlines.

4.2 In the event of default on the part of the seller, we are entitled to charge a penalty of 0.2% to a maximum of 5% of the value of the order per month or part thereof for every week or part thereof the delivery is delayed, with interest on the compensation for any damages actually incurred. If we initially claim the above flat-rate penalty for delay, this does not prevent us from claiming compensation for damages actually incurred, which is to be offset from the penalty. The penalty interest is not to be waived if the delivery has been accepted and/or paid for unconditionally in whole or in part. The seller waives the right to assert any setoff claim to have the penalty reduced by a court or arbitral tribunal.

4.3 For deliveries made before the stipulated delivery date, which are only permitted with our consent, the related penalty period begins only until the originally agreed date.

4.4 The seller must inform us immediately in writing if it should be impossible to meet a delivery date due to force majeure or due to our subsequent arrangements. Otherwise, claims to delay in the delivery date cannot be made, and we will decide on our discretion (Section 315 BGB) whether the delivery period will be extended and by how much.

4.5 Force majeure refers only to those unavoidable circumstances which were not apparent on entering into the contract, such as war and natural disasters. Force majeure does not include strikes, manufacturing faults, reject castings, power failures or delays by the seller's suppliers.

5. Forwarding instructions

5.1 Our instructions regarding delivery and forwarding must be headed, together with the specifications for packaging materials. Packaging must be restricted to the extent necessary to protect the ordered goods and must be able to be returned or exchanged. The material must be tornable.

5.2 Any costs we incur due to failure to comply with the delivery, forwarding and packaging instructions must be accepted by the seller.

6. Take over & acceptance

6.1 The seller is aware that we cannot inspect goods for faults, type and quantity as soon as they are handed over or accepted. The seller therefore foregoes our compliance with the duties to inspect and give notice of defects pursuant to Sections 377 and 378 of the German Commercial Code (HGB), and hereby grants us a period of up to four weeks after discovery of any such faults within the warranty period.

6.2 The seller grants us the possibility of pre-inspecting the goods at his site. We and/or our customers and/or a third party authorised by us have the right to check order handling and prospects at any time during normal business hours. Such inspections do not constitute any kind of acceptance. Any costs incurred by the seller will be paid by the seller, apart from our personal expenses and/or the personal expenses of third parties. All costs caused by re-inspections for which the seller is responsible shall be paid by the seller.

6.3 If the goods are to be installed in a system supplied by us to a third party, liability for material faults and warranty (clause 7) begins on acceptance of the complete system at the third party's site.

6.4 A delivery note stating our order number, item number and part number (where applicable) must be enclosed with every delivery.

7. Liability for material faults and warranty

7.1 If the goods or services are defective, the seller is liable accordingly in the first instance for every breach of contract for damage caused by a fault or defect in the goods or services. The seller may transfer to his sub-contractors, and must obtain our corresponding approval. The seller must inform us in good time if any national regulations apply to the retention of title. Our materials do not affect the seller's guarantee obligations for his scope of supply and for the overall design and functionality.

7.2 We have the right to choose the type of supplementary performance between correction of the fault or delivery of fault-free goods.

7.3 In such cases, we have the right to choose to correct the fault ourselves or have it corrected by third parties or to procure a replacement at the seller's costs. In the event of replacement or correction, the full penalty period begins anew, and the event of the penalty once again. If subsequent performance is not possible within an appropriate period of time, we are entitled to reduce the price or withdraw from the order.

7.4 In case we incur damage due to lack in performance or delayed delivery, the seller shall pay full compensation.

7.5 The seller undertakes to supply spare and wear parts for the goods at normal market prices and delivery times, for a period of up to 10 years counting from the point in time of delivery.

7.6 On acceptance of the order by the seller, the goods are not released by any rights, in particular third-party proprietary rights. Furthermore, the seller shall indemnify us from any third party that could be assessed against us by third parties, and shall reimburse us for any damages thus incurred. On ascertaining the infringement of any third-party proprietary rights, the seller shall also be obliged either to discharge the patent holder's claims or to change the goods at his own costs free of charge in such a way that the infringement of the proprietary rights no longer applies, without impairing the originally agreed quality, performance and performance guarantees. This shall not affect the seller's further statutory warranty obligations.

8. Cancellation / Suspension

8.1 Cancellation

We have the right to withdraw in full or in part from the order even if the seller is not at fault. In this event, we are entitled to pay the seller the contract price in proportion to the goods and services that have been performed and to receive compensation for any reasonable additional costs and services in progress or refund the cancellation of sub-orders. After such cancellation has been declared, the seller is obliged to make every effort to minimise the costs that shall be refunded to us. All other claims for any legal reason whatsoever are ruled out.

8.2 Suspension

Where permitted by law, we are entitled to cancel an order immediately if an application is made to initiate insolvency proceedings against the seller's assets.

8.3 Suspension (interrupting execution of the contract)

We have the right to demand that the seller interrupts execution of the order at any time. In this case, the seller must inform us of the resulting consequences and offer the best possible amended schedule in economical terms with regard to the project as a whole.

9. Payment

9.1 Unless otherwise agreed, payments shall be made within 14 days after delivery and receipt of the invoice less 2% discount or after 30 days net. If the agreed documentation and/or certifi cate and/or payment deadline is not met, compensation shall not be made until the outstanding documents have been provided.

9.2 We can assert withholding rights with regard to all accounts payable to us by the seller for any other reason whatsoever, even if these accounts are not due yet.

9.3 Unless agreed otherwise in the order, we do not accept any assignments and/or reservations of title by the seller.

10. Order documentation

10.1 The details given in our enquiries or orders, the enclosed drawings and designs together with samples, models, plates and other aids supplied by us remain our property and must not be put to any other use without our written consent; they must be returned to us without offset or payment shall not be made until the outstanding documents have been provided.

10.2 All drawings, calculations and other documents supplied by the seller, especially technical documents, become our property and can be used and disclosed to third parties without special permission, also for purposes of spare parts management, repairs and modifications. They do not affect any copyrights.

10.3 Written consent is required before using the order for advertising purposes, including professional publications. Complete systems for which the seller supplied essential parts may not be quoted as references by the seller.

10.4 The order and all related information, documents etc. must be treated in confidence as our business secret and must not be disclosed to third parties. In the event of any infringement, the seller is obliged to pay a penalty amounting to 5% of the order value. We are also entitled to demand compensation for any damages we have thus incurred, which shall be offset from the above penalty.

10.5 Leaflets containing technical or commercial information enclosed with the order form an integral part thereof.

10.6 The following priority shall apply in the event of any contradictions between the order documentation and our Terms and Conditions of Purchase:

- 1. Text of the order including appendices
- 2. Our Terms and Conditions of Purchase.

11. Place of fulfillment, partial invalidity, place of jurisdiction, governing law

11.1 The place of fulfillment for goods and services is the place of destination stated in the order form or for payments the place of fulfillment is the registered office of ANDRITZ FBB GmbH in Moenchengladbach.

11.2 If individual contract provisions should be ineffective, the remaining provisions remain binding.

11.3 Moenchengladbach is the place of jurisdiction, although we reserve the right to take legal action against the seller at his general place of jurisdiction.

11.4 German law shall apply. The contract shall be governed by the provisions of the German Civil Code (BGB) and the German Commercial Code (HGB). The UN Convention on the International Sale of Goods (CISG) and the international conflict of law rules do not apply.

12. General

12.1 Any materials provided by us shall be taken into safe keeping free of charge by the seller until they are used; they remain our property and must not be put to any other use. Any materials are to be marked clearly as “Property of ANDRITZ FBB GmbH” and kept in separate storage. This reservation of title also applies in the event of processing or treatment. The seller shall inform us in good time if any national regulations apply to obtain the retention of title. Our materials do not affect the seller's guarantee obligations for his scope of supply and for the overall design and functionality.

12.2 The seller shall inform us in advance if essential parts of the goods or project are to be supplied by sub-contractors, and must obtain our corresponding approval.

12.3 Our Terms and Conditions apply to purchase, works and all other supply contracts. "Sellers" as used above also includes suppliers and subcontractors.

12.4 The seller hereby confirms that:

- he has received and read a copy of the ANDRITZ Supplier Code of Conduct and Ethics ("Supplier Code"), which is published on the ANDRITZ website at www.andritz.com (http://www.andritz.com/index/gr-procurement.htm);
- he undertakes to comply with the Supplier Code and agrees that it shall form the basis of present and future business with ANDRITZ (ANDRITZ AG and its affiliates);
- he is a representative of the company with which he is associated and indemnifies ANDRITZ from and against damages arising out of a breach of the Supplier Code.