



General Terms and Conditions

1. General

(1) The following general terms and conditions shall apply to all of our business transactions.

(2) Deviating terms and conditions must be agreed in writing.

(3) Oral agreements shall become effective only after written confirmation.

2. Quotations and orders

(1) Our quotations shall always be without obligation and shall not oblige us to accept orders.

(2) Descriptions of our machines and information about performance only contain approximate data. The right to make changes in design or form that are due to improvements in technology and/or legal requirements is reserved during the delivery time, provided that the object of delivery is not modified significantly and acceptance of the changes can be reasonably expected of the purchaser.

(3) Drawings and plans shall remain our property and must not be copied without our written consent, be disclosed to third parties or used for any purpose other than issuing an order to us.

(4) Only the sold product with its properties and features as well as the purpose in accordance with the enclosed product description is the subject of the contract. Different or farther-reaching properties and/or features or a more comprehensive purpose shall only be considered as agreed if expressly confirmed by us in writing.

(5) Orders shall only become binding to us upon our written confirmation. If the purchaser, after our written order confirmation, is in default in acceptance, EuRec Environmental Technology GmbH shall have the right to charge the cost incurred to the purchaser. If ordered goods are not accepted despite repeated request to do so, the purchaser shall be charged with 10% or the order amount, unless the purchaser demonstrates that less damage was incurred. In these cases, the risk of accidental loss or accidental degradation of the object of delivery shall also pass to the purchaser at the time of default in acceptance.

(6) The risk of loss and/or deterioration of the goods shall pass to the purchaser upon take-over of the goods, at the latest upon hand-over to the forwarder, even if we assumed the cost of transport or delivery.

3. Delivery

(1) Agreed delivery times shall be met. The agreed delivery time is not a fixed date and may be moved by approx. two weeks. If delivery times are not met, the principal shall have the right to withdraw from the contract after granting a reasonable period of grace. The delivery time shall begin upon mailing of the order confirmation, but not prior to delivery of the documents, permits, releases that the purchaser may have to procure, as well as prior to receipt of an agreed downpayment. The delivery time shall have been met if readiness for shipment has been advised or the delivered object has left the works prior to its expiry.

(2) Late delivery shall not oblige us to pay damages. Partial delivery is possible.

(3) In cases of force majeure, strike, plant interruption as well as other unforeseeable events outside our responsibility we shall have the right to withdraw from the contract. In these cases, the delivery time shall be extended by the duration of such actions and obstructions.

(4) Merkers shall be the place of venue. The cost for transport of the goods to the purchaser shall generally be at its account and its own risk. Transport of machines and machine components shall always be insured by us if they are transported by our vehicles.

4. Payment

(1) Payments shall be due and payable as follows:

a) for machines, 30% upon order confirmation, 60% upon delivery, 10% within 20 days after commissioning, or in full within 30 days after completion and request of commissioning.

b) For customer service and spare parts, within 20 days of delivery and/or 10 days after the invoice date.

(2) Default in payment

a) In the event the customer is in default in payment, we shall have the right to claim interest for default in the amount of 2% above the prime rate of the Deutsche Bundesbank, however, at least in the amount of 12% per annum without demand of payment. Checks and bills shall only be consid-

ered as payment after encashment. Acceptance of bills shall always require a prior written agreement with us. Upon acceptance of bills, the usual bank discount and collection fees shall be charged. They shall be paid immediately in cash.

b) If we are able to show a higher damage of default than provided for in 2a), we shall have the right to demand the increased damage for default. The damage for default according to 2a) shall be reduced if the customer can show that no or only minor damage was incurred by us.

(3) Circumstances that make the principal's credit worthiness questionable shall give us the right to immediately demand payment of all accounts receivable, regardless of their due date. This may also be averted by giving securities.

(4) Under the circumstances described in 4.(3), we shall have the right to refuse performance of the contract until full payment is received and/or until security is provided.

(5) Our employees shall only be authorized to accept payment if collection authority is shown.

(6) The customer shall only have the right to offset against our claims if the customer's claim is uncontested or if an appropriate final decision has been rendered.

(7) The customer shall only have a right of retention if it is based on the same contractual relationship.

5. Reservation of ownership

(1) Ownership in the delivered goods shall be with us until they have been paid in full. The purchaser shall not have the right to resell goods that are our property. Claims against third parties, if any, shall generally be assigned to us.

(2) If machines or machine components under reservation of ownership are damaged or destroyed, claims against third parties (insurances and/or the damaging party) arising therefrom shall be assigned to us.

(3) If payments are not made in time (section 4 (1)), we shall have the right, after granting an additional period of grace according to § 326 BGB (German Civil Code), to reclaim the goods and to claim damages for non-performance in the amount of 15 % or the order amount. In addition, a compensation for use shall be payable on the basis of elapsed operating hours. The purchaser may show evidence for lesser damage.

(4) If reservation of ownership is claimed, or if delivered goods are attached by us, this shall not constitute withdrawal from the contract, unless the provisions of the consumer credit law apply or if we specifically declare so in writing.

(5) The purchaser shall have the right to resell the goods in the ordinary course of business; however, he herewith assigns to us all claims arising to the purchaser due to the resale in the amount of the purchase price agreed between ourselves and the purchaser (including VAT), regardless if the goods are resold with or without additional processing. The purchaser shall have the right to collect this claim after assignment. This shall not affect our right to collect the claim ourselves; however, we undertake not to collect the claim as long as the purchaser properly meets its payment obligation and is not in default of payment. If the latter occurs, we may require the purchase to advise the advised claims and their debtors, give all information required for collection, hand over the associated documentation and advise the debtors (third parties) of the assignment.

Processing or modification of the goods by the purchaser shall always be performed by us. If the goods are processed by objects that are unknown to us, we shall acquire co-ownership in the new product in proportion of the value of the goods and the other objects processed at the time of processing.

The purchaser may neither pledge the goods nor give them as security. In the event of attachment, or confiscation or other disposal by third parties, the purchaser shall notify us immediately and provide all information and documentation to us that is required to protect our rights. Execution officers and/or third parties shall be informed about our property.

In the event that the goods under reservation of ownership, upon requirement of delivery, are no longer available, all claims shall become due and payable immediately. In these cases, all bills shall be paid in cash forthwith, regardless of their due date.

6. Liability

(1) In the event of merely negligent breach of duties by ourselves or our agents, our liability shall be limited to the

typical, foreseeable damage under contract. This is not valid towards consumers in the sense of section 13 BGB Federal Legislation in case of injury or life, body and health.

(2) Damage claims due to civil wrong shall be excluded, unless the damage was caused intentionally or by gross negligence. This shall also apply to acts of our agents and representatives. This is not valid towards consumers in the sense of section 13 BGB Federal Legislation in case of injury or life, body and health.

7. Warranty

(1) The warranty period for machines and machine components shall be 6 months, but 1,000 operating hours after transfer of risk at most. The warranty period begins with the transfer of risk according to clause 2 para. 6. Warranty claims shall require proper maintenance in accordance with the operating instructions and proper use of the equipment. Within said 6 months we shall have the right of remedying defects by repair or replacement, in our option. If defect remedy fails, we shall take the machine back and refund the purchase price.

(2) The warranty to business in terms of § 14 BGB [German Civil Code] shall be limited to freedom of defects for new products for a period of one year after transfer of risk according to clause 2 para. 6.

(3) The warranty shall not include parts subject to natural wear due to their material properties or the kind of their employment.

(4) The following applies to businesses in terms of § 14 BGB: Our used machines and machine components are inspected carefully prior to being sold; nevertheless, liability for redhibitory defects is excluded.

(5) Insofar as warranty work is carried out by third parties with our written consent, we shall be notified within 8 days after performance of the work was due if the principal raises complaints with respect to the work performed. Claims against us shall be excluded after expiry of this period of time.

(6) If redhibitory defects in terms of § 434 para. 1 BGB occur, we shall have the right of rectification by repair or replacement in our option. If the defect is not eliminated after the rectification attempt, the purchase shall have the right to withdraw from the contract. The following applies to businesses in terms of § 14 BGB: EuRec will in this case refund the full purchase price. Additional claims shall be excluded, however.

(7) For assembly and repair work, we shall be liable for defects of workmanship and/or installation for one month from completion of work.

(8) Under warranty, the delivery of spare parts and performance of work is free of charge. Costs of travel, accommodation, shipping, fees and taxes for customs clearance are not included, unless otherwise agreed. We shall not be liable under any circumstances for consequential damage, loss of operation, standstill times, etc.

(9) Liability for consequential damage due to defects is excluded.

(10) The following applies to consumer goods purchases according to 474 BGB: If a defect occurs within the first 6 months after transfer of risk, it may be assumed that this defect already existed upon the transfer of risk. After expiry of 6 months from the transfer of risk according to clause 2 para. 6, the purchaser must show evidence that the defect already existed upon the transfer of risk.

8. Statute of limitation

Objections to accounts (annual accounts as well) have to be raised within one month after receipt of invoice. Excepted from this are complaints about hidden defects. Here, an exclusion period of 3 years is applied. Subsequent objections will not be considered. The obligation to pay outstanding charges will remain unaffected.

9. Miscellaneous / applicable right

(1) If one or more provisions are invalid, the validity of the other provisions shall not be affected.

(2) The place of venue for all parties shall be Merkers, the court of Bad Salzungen shall have jurisdiction.

(3) Only German right is applicable, but the UN - purchase rights are excluded.