



ORGALIME S 2000

ORGALIME
GENERAL CONDITIONS
for the
SUPPLY OF MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS

Brussels, August 2000

PREAMBLE

1. These General Conditions shall apply when the parties agree in writing or otherwise thereto. When the General Conditions apply to a specific contract, modifications of or deviations from them must be agreed in writing.

The object(s) to be supplied under these General Conditions is (are) hereinafter referred to as the Product.

Wherever these General Conditions use the term in writing, this shall mean by document signed by the parties, or by letter, fax, electronic mail and by such other means as are agreed by the parties.

PRODUCT INFORMATION

2. All information and data contained in general product documentation and price lists, whether in electronic or any other form, are binding only to the extent that they are by reference expressly included in the contract.

DRAWINGS AND DESCRIPTIONS

3. All drawings and technical documents relating to the Product or its manufacture submitted by one party to the other, prior or subsequent to the formation of the contract, shall remain the property of the submitting party.

Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

4. The Supplier shall, not later than at the date of delivery, provide free of charge information and drawings which are necessary to permit the Purchaser to erect, commission, operate and maintain the Product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each. The Supplier shall not be obliged to provide manufacturing drawings for the Product or for spare parts.

ACCEPTANCE TESTS

5. Acceptance tests provided for in the contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours.

If the contract does not specify the technical requirements, the tests shall be carried out in accordance with general practice in the appropriate branch of industry concerned in the country of manufacture.

6. The Supplier shall notify the Purchaser in writing of the acceptance tests in sufficient time to permit the Purchaser to be represented at the tests. If the Purchaser is not represented, the test report shall be sent to the Purchaser and shall be accepted as accurate.

7. If the acceptance tests show the Product not to be in accordance with the contract, the Supplier shall without delay remedy any deficiencies in order to ensure that the Product complies with the contract. New tests shall then be carried out at the Purchaser's request, unless the deficiency was insignificant.

8. The Supplier shall bear all costs for acceptance tests carried out at the place of manufacture. The Purchaser shall however bear all travelling and living expenses for his representatives in connection with such tests.

DELIVERY. PASSING OF RISK

9. Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the contract.

If no trade term is specifically agreed, the delivery shall be Ex works (EXW).

If, in the case of delivery Ex works, the Supplier, at the request of the Purchaser, undertakes to send the Product to its destination, the risk will pass not later than when the Product is handed over to the first carrier.

Partial shipments shall be permitted unless otherwise agreed.

TIME FOR DELIVERY. DELAY

10. If the parties, instead of specifying the date for delivery, have specified a period of time on the expiry of which delivery shall take place, such period shall start to run as soon as the contract is entered into, all official formalities have been completed, payments due at the formation of the contract have been made, any agreed securities have been given and any other preconditions have been fulfilled.

11. If the Supplier anticipates that he will not be able to deliver the Product at the time for delivery, he shall forthwith notify the Purchaser thereof in writing, stating the reason, and, if possible, the time when delivery can be expected.

If the Supplier fails to give such notice, the Purchaser shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.

12. If delay in delivery is caused by any of the circumstances mentioned in Clause 39 or by an act or omission on the part of the Purchaser, including suspension under Clauses 20 or 42, the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

13. If the Product is not delivered at the time for delivery (as defined in Clauses 10 and 12), the Purchaser is entitled to liquidated damages from the date on which delivery should have taken place.

The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each completed week of delay. The liquidated damages shall not exceed 7.5 per cent of the purchase price.

If only part of the Product is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties.

The liquidated damages become due at the Purchaser's demand in writing but not before delivery has been completed or the contract is terminated under Clause 14.

The Purchaser shall forfeit his right to liquidated damages if he has not lodged a claim in writing for such damages within six months after the time when delivery should have taken place.

14. If the delay in delivery is such that the Purchaser is entitled to maximum liquidated damages under Clause 13 and if the Product is still not delivered, the Purchaser may in writing demand delivery within a final reasonable period which shall not be less than one week.

If the Supplier does not deliver within such final period and this is not due to any circumstance for which the Purchaser is responsible, then the Purchaser may by notice in writing to the Supplier terminate the contract in respect of such part of the Product as cannot in consequence of the Supplier's failure to deliver be used as intended by the parties.

If the Purchaser terminates the contract he shall be entitled to compensation for the loss he has suffered as a result of the Supplier's delay. The total compensation, including the liquidated damages which are payable under Clause 13, shall not exceed 15 per cent of that part of the purchase price which is attributable to the part of the Product in respect of which the contract is terminated.

The Purchaser shall also have the right to terminate the contract by notice in writing to the Supplier, if it is clear from the circumstances that there will occur a delay in delivery which, under Clause 13 would entitle the Purchaser to maximum liquidated damages.

In case of termination on this ground, the Purchaser shall be entitled to maximum liquidated damages and compensation under the third paragraph of this Clause 14.

15. Liquidated damages under Clause 13 and termination of the contract with limited compensation under Clause 14 are the only remedies available to the Purchaser in case of delay on the part

of the Supplier. All other claims against the Supplier based on such delay shall be excluded, except where the Supplier has been guilty of gross negligence.

In these General Conditions gross negligence shall mean an act or omission implying either a failure to pay due regard to serious consequences, which a conscientious supplier would normally foresee as likely to ensue, or a deliberate disregard of the consequences of such act or omission.

16. If the Purchaser anticipates that he will be unable to accept delivery of the Product at the delivery time, he shall forthwith notify the Supplier in writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery.

If the Purchaser fails to accept delivery at the delivery time, he shall nevertheless pay any part of the purchase price which becomes due on delivery, as if delivery had taken place. The Supplier shall arrange for storage of the Product at the risk and expense of the Purchaser. The Supplier shall also, if the Purchaser so requires, insure the Product at the Purchaser's expense.

17. Unless the Purchaser's failure to accept delivery is due to any such circumstance as mentioned in Clause 39, the Supplier may by notice in writing require the Purchaser to accept delivery within a final reasonable period.

If, for any reason for which the Supplier is not responsible, the Purchaser fails to accept delivery within such period, the Supplier may by notice in writing terminate the contract in whole or in part. The Supplier shall then be entitled to compensation for the loss he has suffered by reason of the Purchaser's default. The compensation shall not exceed that part of the purchase price which is attributable to that part of the Product in respect of which the contract is terminated.

PAYMENT

18. Unless otherwise agreed, the purchase price shall be paid with one third at the formation of the contract and one third when the Supplier notifies the Purchaser that the Product, or the essential part of it, is ready for delivery. Final payment shall be made when the Product is delivered. Payments shall be made within 30 days of the date of the invoice.

19. Whatever the means of payment used, payment shall not be deemed to have been effected before the Supplier's account has been fully and irrevocably credited.

20. If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due. The rate of interest shall be as agreed between the parties. If the parties fail to agree on the rate of interest, it shall be 8 percentage points above the rate of the main refinancing facility of the European Central Bank in force on the due date of payment.

In case of late payment the Supplier may, after having notified the Purchaser in writing, suspend his performance of the contract until he receives payment.

If the Purchaser has not paid the amount due within three months the Supplier shall be entitled to terminate the contract by notice in writing to the Purchaser and to claim compensation for the loss he has incurred. The compensation shall not exceed the agreed purchase price.

RETENTION OF TITLE

21. The Product shall remain the property of the Supplier until paid for in full to the extent that such retention of title is valid under the applicable law.

The Purchaser shall at the request of the Supplier assist him in taking any measures necessary to protect the Supplier's title to the Product in the country concerned.

The retention of title shall not affect the passing of risk under Clause 9.

LIABILITY FOR DEFECTS

22. Pursuant to the provisions of Clauses 23-37 inclusive, the Supplier shall remedy any defect or nonconformity (hereinafter termed defect(s)) resulting from faulty design, materials or workmanship.

23. The Supplier's liability is limited to defects which appear within a period of one year from delivery. If the daily use of the Product exceeds that which is agreed, this period shall be reduced proportionately.

24. When a defect in a part of the Product has been remedied, the Supplier shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of one year. For the remaining parts of the Product the period mentioned in Clause 23 shall be extended only by a period equal to the period during which the Product has been out of operation as a result of the defect.

25. The Purchaser shall without undue delay notify the Supplier in writing of any defect which appears. Such notice shall under no circumstance be given later than two weeks after the expiry of the period given in Clause 23.

The notice shall contain a description of the defect.

If the Purchaser fails to notify the Supplier in writing of a defect within the time limits set forth in the first paragraph of this Clause, he loses his right to have the defect remedied.

Where the defect is such that it may cause damage, the Purchaser shall immediately inform the Supplier in writing. The Purchaser shall bear the risk of damage resulting from his failure so to notify.

26. On receipt of the notice under Clause 25 the Supplier shall remedy the defect without undue delay and at his own cost as stipulated in Clauses 22-37 inclusive.

Repair shall be carried out at the place where the Product is located unless the Supplier deems it appropriate that the defective part or the Product is returned to him for repair or replacement.

The Supplier is obliged to carry out dismantling and re-installation of the part if this requires special knowledge. If such special knowledge is not required, the Supplier has fulfilled his obligations in respect of the defect when he delivers to the Purchaser a duly repaired or replaced part.

27. If the Purchaser has given such notice as mentioned in Clause 25 and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he has incurred as a result of the notice.

28. The Purchaser shall at his own expense arrange for any dismantling and reassembly of equipment other than the Product, to the extent that this is necessary to remedy the defect.

29. Unless otherwise agreed, necessary transport of the Product and/or parts thereof to and from the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Supplier. The Purchaser shall follow the Supplier's instructions regarding such transport.

30. Unless otherwise agreed, the Purchaser shall bear any additional costs which the Supplier incurs for repair, dismantling, installation and transport as a result of the Product being located in a place other than the destination stated in the contract or - if no destination is stated - the place of delivery.

31. Defective parts which have been replaced shall be made available to the Supplier and shall be his property.

32. If, within a reasonable time, the Supplier does not fulfil his obligations under Clause 26, the Purchaser may by notice in writing fix a final time for completion of the Supplier's obligations.

If the Supplier fails to fulfil his obligations within such final time, the Purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the Supplier.

Where successful remedial works have been undertaken by the Purchaser or a third party, reimbursement by the Supplier of reasonable costs incurred by the Purchaser shall be in full settlement of the Supplier's liabilities for the said defect.

33. Where the defect has not been successfully remedied, as stipulated under Clause 32,

a) the Purchaser is entitled to a reduction of the purchase price in proportion to the reduced value of the Product, provided that under no circumstance shall such reduction exceed 15 per cent of the purchase price, or

b) where the defect is so substantial as to significantly deprive the Purchaser of the benefit of the contract, the Purchaser may terminate the contract by notice in writing to the Supplier. The Purchaser is then entitled to compensation for the loss he has suffered up to a maximum of 15 per cent of the purchase price.

34. The Supplier is not liable for defects arising out of materials provided, or a design stipulated or specified by the Purchaser.

35. The Supplier is liable only for defects which appear under the conditions of operation provided for in the contract and under proper use of the Product.

The Supplier's liability does not cover defects which are caused by faulty maintenance, incorrect erection or faulty repair by the Purchaser, or by alterations carried out without the Supplier's consent in writing.

Finally the Supplier's liability does not cover normal wear and tear or deterioration.

36. Notwithstanding the provisions of Clauses 22-35 the Supplier shall not be liable for defects in any part of the Product for more than two years from the beginning of the period given in Clause 23.

37. Save as stipulated in Clauses 22-36, the Supplier shall not be liable for defects. This applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation of the Supplier's liability shall not apply if he has been guilty of gross negligence as defined in Clause 15.

ALLOCATION OF LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT

38. The Supplier shall not be liable for any damage to property caused by the Product after it has been delivered and whilst it is in the possession of the Purchaser. Nor shall the Supplier be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's products form a part.

If the Supplier incurs liability towards any third party for such damage to property as described in the preceding paragraph, the Purchaser shall indemnify, defend and hold the Supplier harmless.

If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof in writing.

The Supplier and the Purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product.

The limitation of the Supplier's liability in the first paragraph of this Clause shall not apply where the Supplier has been guilty of gross negligence as defined in Clause 15.

FORCE MAJEURE

39. Either party shall be entitled to suspend performance of his obligations under the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war,

extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this Clause.

A circumstance referred to in this Clause whether occurring prior to or after the formation of the contract shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the formation of the contract.

40. The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

If Force Majeure prevents the Purchaser from fulfilling his obligations, he shall compensate the Supplier for expenses incurred in securing and protecting the Product.

41. Regardless of what might otherwise follow from these General Conditions, either party shall be entitled to terminate the contract by notice in writing to the other party if performance of the contract is suspended under Clause 39 for more than six months.

ANTICIPATED NON-PERFORMANCE

42. Notwithstanding other provisions in these General Conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof in writing.

CONSEQUENTIAL LOSSES

43. Save as otherwise stated in these General Conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever.

DISPUTES AND APPLICABLE LAW

44. All disputes arising out of or in connection with the contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules.

45. The contract shall be governed by the substantive law of the Supplier's country.

This is an Orgalime publication. Orgalime groups the central trade federations of the mechanical, electrical, electronic and metalworking industries in 23 European countries and provides liaison between these organisations in the legal, technical and economic fields.

All rights reserved

©

Editeur responsable : Adrian Harris, Secretary General

ORGALIME

"Diamant" building, Boulevard A. Reyers 80, B – 1030 Bruxelles

Tel : (32) 2 706 82 35 – Fax : (32) 2 706 82 50 – e-mail : secretariat@orgalime.org

General Terms of Sale and Delivery of Lenser Filtration GmbH¹

All supplies and services of Lenser Filtration GmbH will be carried out based on the present terms of supply and delivery. Unless otherwise provided for hereinafter, the attached ORGALIME S 2000², shall form the basis of proposals and agreements.

1. Delivery and coming into force

The delivery stated and/or agreed shall commence after the CONTRACT has come into force and shall be extended if Lenser Filtration GmbH's proposal is not accepted within 5 workdays from receipt. The CONTRACT shall come into force when the following conditions have been fulfilled:

- If a downpayment has been requested: Receipt of the downpayment by the SELLER;
- Unconditional acceptance of the proposal by the BUYER;
- Approval by the credit insurer commissioned by the SELLER (if required);
- Granting of an export permit (if necessary);
- Drawings acknowledged by the BUYER.

2. Delivery terms, taxes, customs duties

Any reference to INCOTERMS shall always mean INCOTERMS 2010. Notwithstanding the aforesaid, the SELLER'S prices are to be understood without VAT or sales tax, customs duties, fees or other duties and taxes payable in the country of destination.

3. Payment securities and interruptions of work

Unless otherwise provided for thereafter, the SELLER shall be entitled to request that the BUYER procure a bank guarantee issued by a bank acceptable to the SELLER for first demand in order to collateralize SELLER'S outstanding claims.

In the event of a delay in payment within the ANDRITZ Group, the SELLER may interrupt his work, postpone the deadlines and request payment. In the event of a delay in payment by the BUYER exceeding 60 days, the SELLER shall be entitled to terminate the CONTRACT.

4. Warranties

The SELLER warrants that the scope of supply of the SELLER is free from defects (as outlined in Clause 22 of ORGALIME S 2000), to the extent that these defects existed at the time of delivery. The warranty period shall commence at the date of delivery of the CONTRACT WORKS and shall last for 6 months (warranty period). However, the warranty shall expire 12 months after the first partial delivery or notification that the first partial supply is ready for shipment. In the event of a delay in delivery of later partial supplies attributable to the SELLER, the warranty shall be extended by the time equivalent to this late delivery. Any defective parts shall be exchanged or repaired at the SELLER'S discretion. Any claims under the warranty for parts replaced or repaired must be presented within 18 months after the date of the first delivery, to the extent that the warranty period has not previously expired. Rescission of the CONTRACT in the event that the repairs and remedies of the CONTRACT WORKS have entirely failed shall be permitted only if the plant or machine or the CONTRACT WORKS is objectively not usable, the subjective interests of the BUYER not being authoritative.

The SELLER shall not be held liable for defects if:

- The goods delivered are not operated in accordance with the requirements and instructions of the SELLER;
- The BUYER fails to have the scope of supply maintained by qualified personnel in accordance with the SELLER'S operating and maintenance instructions;
- The scope of supply is operated with a mixture, material or under conditions of use in deviation from the conditions for which the scope of supply was developed.

¹ Version dated 01 July 2015, these Terms of Sale and Delivery can be accessed at www.lenser.de

² Where ORGALIME S 2000 refers to Supplier, this denotes the SELLER and where ORGALIME S 2000 refers to Orderer, this denotes the BUYER (as per the terms and conditions of Lenser Filtration GmbH)

- The BUYER fails to inform the SELLER in writing within 10 days from the occurrence of the defect or if the BUYER continues to operate the plant/machine despite obvious defects, causing the defect to be aggravated;
- The scope of supply is repaired by a third party without previously obtaining the SELLER'S approval
- The scope of supply is damaged by a third party;
- Defects are caused by the material provided by or requested to be used by the BUYER or a design prescribed by the BUYER.
- At any event, the warranty shall not cover deterioration due to erosion, corrosion, wear and tear; all wearing parts and reused or overhauled parts are also excluded from the warranty.

There shall be no obligation for remedy of defects other than the liability agreed by CONTRACT, no verbal warranties or any legal warranty claims exceeding the contractual arrangements shall be acceptable. No warranties shall be given for economy of operation or a certain ability or property.

5. Liability

Notwithstanding other conditions in this proposal and CONTRACTS resulting therefrom, the SELLER'S liability shall be limited as follows.

- a) The SELLER and its employees, sub-suppliers and suppliers shall not be liable vis-à-vis the BUYER in the following cases in particular: (1) loss of use, loss of profit, loss of earnings or business opportunities (whether foreseeable or not), loss of interest, loss caused by plant shutdown or impossibility of plant operation at full load, additional cost of keeping up operation, loss of future CONTRACTS, customer complaints (or suits, action), cost of raising funds, loss caused by use of capital and/or in particular not for: (2) special, accidental, indirect damage or consequential damage (whether foreseeable or not).
- b) The SELLER shall not assume any liability for hazardous material, certain characteristics of the subsoil, contamination of the subsoil and of structures deviating from the expected state; Furthermore, the SELLER shall not assume any liability for equipment or part thereof to be reused in the course of the project, while it is found during the project execution that the state of repair of this equipment deviated from the expected state.
- c) SELLER'S aggregate liability from this proposal and from a CONTRACT based on this proposal for whatever reason, including the payment of penalties, compensations, warranty obligations, claims for damages, etc. shall be limited to 20% of the overall price.
- d) Any liability of the SELLER in connection with this proposal and any CONTRACT based on this proposal shall expire after a time lapse of 6 months after the end of the warranty period.

6. Force majeure

The following unforeseeable events that are beyond the reasonable control of the Parties and impede the performance of the CONTRACT shall be considered events of force majeure: official measures, changes in legislation, strikes, lock-outs or other means of industrial disputes, terrorism, war, insurrection, commotion, lightning, earthquake, fire, severe weather conditions, forces of nature, inundations, sabotage, delays caused by transportation, non-availability of means of transport, non-availability of loading and unloading equipment, impossibility of obtaining labour or materials from the usual sources, serious accidents on the part of the SELLER or its sub-suppliers, theft, explosions, etc.

Each Party shall be entitled to interrupt or limit its activity to the extent that it is impeded or impaired by reason of the occurrence of force majeure (except for the obligation to make payments), provided the impaired party has informed the other party of this delay in writing (by e-mail or fax, etc.). The duties of the impaired Party shall then be interrupted or limited for the time of the event of force majeure and for the time required to resume work. The schedules will be adjusted by reason of these delays.

If such interruptions or limitation of activities exceed four successive months or more than 6 months in a 12-months period, the SELLER and the BUYER shall be entitled to terminate the CONTRACT by giving written notice. No claims may be asserted by reason of violation of obligations caused by Force majeure. Any and all claims and cost existing before the occurrence of force majeure shall remain valid and shall be taken into consideration.

7. Secrecy

The information made known by the SELLER in connection with the present proposal and any CONTRACT based on this proposal include confidential and protected technical and commercial information of the SELLER. The BUYER undertakes not to pass on this information to any third party without the prior written agreement of the SELLER. The BUYER will not permit any third party to manufacture the scope of supply or part of it using the drawings and documents provided by the SELLER. The BUYER shall use such drawings and documents exclusively in connection with the present proposal and any CONTRACT based on this proposal. All drawings, documents, etc. shall remain the SELLER'S intellectual property, and the SELLER may request at any time that they be returned.

8. Arbitration and applicable law

If the BUYER has its seat in Germany, the choice of law shall be as follows: This proposal and any CONTRACT based on this proposal shall be subject to the material laws of Germany, excluding the UN CISG 1980 and the conflict of law rules, e.g. IPRG.

If the BUYER has its seat outside Germany, the choice of law shall be as follows: This proposal and any CONTRACT based on this proposal shall be subject to the material laws of Switzerland, excluding the UN CISG 1980 and the conflict of law rules, e.g. IPRG.

All disputes arising from this CONTRACT and in connection therewith shall be exclusively settled under the rules of arbitration and conciliation of the International Chamber of Commerce by three arbitrators appointed in accordance with these rules. The ruling of the arbitrators shall be final and binding on the Parties. The seat of the arbitration tribunal shall be in Munich and the procedure shall be held in German. If the BUYER'S seat is outside Germany and the CONTRACT and/or the documents in dispute are in English, the language of the arbitration procedure shall be English. The unsuccessful party shall bear the cost of the arbitration procedure, or the costs shall be split between the parties in proportion to their victory. The arbitration ruling shall therefore also contain a decision on the cost of the ruling.
