

ASSEMBLY CONDITIONS, IN-COUNTRY AND ABROAD
(Status: 01.01.2012)

The following assembly terms and conditions govern all assembly work performed. Contradictory conditions of the customer are ineffective unless we have expressly recognised them.

1. Basic hourly rates for work, travel and waiting hours:

Fitters	83.-- EURO	Engineers	107.-- EURO
Technicians	90.-- EURO	System specialists	120.-- EURO

2. Other allowances:

The working week is 37 hours, split up as follows:

Monday-Thursday:	8 hours	Friday:	5 hours
(business hours from 7.00 - 17.00 hrs)		(business hours from 7.00 - 13.00 hrs)	

In the case of extra work, night work, Saturday, Sunday and official holiday work and other work outside regular business hours, the following allowances are granted:

25 %	from overtime hour 1 to 6	50 %	for work on Saturdays
40 %	from overtime hour 7 to 8	100 %	for work on Sundays
50 %	from overtime hour 9 to n	150 %	for work on official holidays
50 %	for night allowance (from 22.00 to 6.00 hrs)		

3. Expense rates and accommodation, in-country:

More than 6 hours	EURO 8.--
More than 8 hours	EURO 18.--
More than 12 hours	EURO 28.--

4. For assembly work abroad, the respective flat amounts apply

(as per Sections 39 and 40 LStR [German Wage Tax Regulations])

5. Overnight accommodation expenses:

Settlement only with receipts. For work abroad, the flat rates or receipts apply.

6. Special settlement for maintenance and service tasks:

Maintenance and service tasks are always carried out by system specialists.

In the absence of a maintenance or service contract, the above listed hourly rates shall apply (120.-- EURO). If a maintenance/service contract exists, this hourly rate is reduced by the reduction rates specified below to the benefit of our customers.

Reduction rate (%)	Working time for maintenance / service	Travelling time for maintenance / service
no contract	0 %	0 %
Term 3 years	10 %	25 %
Term 5 years	15 %	30 %

7. Travelling expenses

For car journeys, we reimburse 0.65 EURO/km. For journeys with public transport, rail, plane etc., including journey from hotel to place of work, settlement shall be on the basis of journey receipts or documentation.

Reimbursement for transported tools, spare parts or machines, including personal hand luggage, shall be on the basis of transport receipts and documentation, insofar as transport by public transport is necessary.

In the case of work lasting longer than two weeks, co-workers shall be entitled to one trip home; with longer stays abroad, on the basis of a separate written agreement. In this case, costs shall be borne by the customer.

If contractual work requires several return journeys, the customer shall bear the costs.

8. Turnover tax

8.1. The invoicing for Germany is done with the statutory taxes which will be paid by Moehwald GmbH

8.2 The invoicing outside Germany is done excluding local taxes and duties which will be paid by the customer.

Business income tax in VR China, however, is shown in the total invoicing amount. This will be paid by the customer and will be subtracted from the original invoice when paying.

9. Placing an order and invoicing

When an order is placed by the Customer this implies full acceptance of the assembly terms and conditions. It is immaterial whether the order has been placed in writing or verbally. Nor are we obliged to provide written confirmation.

The assembly costs shall be due immediately after receipt of the invoice and are payable without deduction. Right of retention and offsetting with counterclaims of the customer are excluded insofar as these claims are incontestable or legally enforceable. Invoicing for long-term assembly work shall be at the end of each month. This is based on assembly reports signed by the customer.

10. Cooperation by customer

The customer shall support the assembly personnel in the performance of the assembly work and with its associated costs as far as possible and such as can be reasonably expected. In particular, the customer shall guarantee full operational safety for the assembly personnel and for his own staff.

The customer undertakes to take measures necessary to protect personnel and property at the place of assembly. He must inform the assembly foreman of the existing safety regulations

insofar as they are relevant to the assembly personnel. He shall notify the assembling company of violations of the safety specifications by assembly personnel. In the event of serious violations, in cooperation with the assembly foreman he can refuse violators access to the place of assembly.

11. Technical assistance of the customer

The customer is obliged to provide technical assistance, at his own expense, and in particular for:

- a) Provision of necessary, suitable labourers (other qualified operatives) during the assembly time frame; labourers must following instructions of the assembly foreman. We shall assume no liability for the labourers.
- b) Performance of all earthwork, construction work, bedding and scaffolding work, including procurement of necessary building materials.
- c) Provision of necessary devices, heavy tools (e.g. lifting gear, compressors), power supply connections, including required equipment and materials.
- d) Provision of heating, lighting, operating power, water and necessary connections.
- e) Transport of assembly parts to place of assembly, protection of assembly parts and materials against damaging influences of all kinds, cleaning of the assembly parts.
- f) Provision of materials and performance of all other activities required to regulate a trial stipulated in the contract.

The customer undertakes to ensure that assembly begins immediately after arrival of the assembly personnel and that assembly can be carried out without delay until acceptance by the customer. In particular, the customer shall guarantee assembly personnel free access to areas and rooms where the assembly work is being carried out. Waiting times for which the customer is responsible shall be regarded as working time and charged at the agreed rates.

If the customer fails to fulfil his obligation to provide technical assistance and to cooperate cooperation in spite of being requested to do so, and if the assembly services cannot be performed without the cooperation of the customer, we shall be entitled to take alternative measures at the expense of the customer.

12. Task of the fitter

The fitter performs only those tasks that we have determined necessary for assembly according to the contract. Additional work shall be carried out if a special order has been placed for this purpose. Technical modifications at the request of the customer require our prior coordination and approval.

The work report must be prepared daily and must be signed to make it legally binding by the customer at least once a week, or immediately after completion of work. The customer shall be provided with the copy. The original shall remain with us and is used for invoicing.

The fitter shall not be entitled to make legally binding explanations in the name of our company unless he is the holder of a written power of attorney.

13. Assembly period, passing of the risk

All specifications on the assembly period are non-binding.

If, in exceptional cases, an assembly period is designated as binding, it shall be regarded as having been observed if, before its expiration, the assembly, in the case of a contractually stipulated trial, is ready for acceptance by the customer.

If assembly is delayed by circumstances for which we are not responsible, a reasonable extension of the assembly period shall come into effect; this shall also apply if such circumstances arise after we are in delay. Costs arising due to a delay for which we are not responsible shall be borne by the customer.

14. Acceptance

The customer shall be obliged to accept the assembly as soon as its completion has been announced and any contractually agreed trial of the assembled equipment has taken place.

In the event of a deficiency that only insignificantly impairs performance capability, the customer cannot refuse acceptance if we acknowledge our obligation to eliminate the fault.

If acceptance is delayed as a consequence of circumstances for which we are not responsible, the acceptance shall become valid one week after the completion of the assembly.

Upon acceptance, we shall no longer be liable for recognisable deficiencies insofar as the customer has not asserted a claim due to a specific deficiency.

15. General

Should one of the terms of this contract be or become invalid, the other terms of the contract shall remain valid.

Place of jurisdiction for all matters of dispute arising from this contract is the first-instance court in Homburg.

German law shall apply.