



Combined Heat & Power



2G Energy Ltd.
Unit 1, Sycamore Court,
Warrington Road, Manor Park,
Runcorn, Cheshire, WA7 1RS
Registered at the above address

Registered in England and Wales No. 07778950
VAT No. GB121 8234 46

Office: 01928 718 533

General Terms of Sale and Delivery **2G Energy Limited, Clifton House, Ashville Point, Clifton Lane** **Sutton Weaver, Cheshire, WA7 3FW**

I. General information

1) All deliveries and services are governed by these Terms and Conditions and any written contractual agreements (particular agreements) concluded separately. Any differing Terms and Conditions of Sale of the Purchaser shall not form part of the contract even if the order is accepted. In the absence of a particular written agreement, including and acknowledging additional terms, a contract shall be concluded with the written confirmation of the order by the Supplier (2G).

2) The Supplier reserves all proprietary rights and copyrights to samples, quotes, drawings and any tangible or intangible information, including in electronic form; these may not be made accessible to third parties. The Supplier undertakes to only make information and documents designated as confidential by the Purchaser accessible to third parties with the consent of the Purchaser.

II. Price and Payment

1) In the absence of a particular agreement, prices shall apply ex works including loading at our works, but not including packaging and unloading. Value added tax at the statutory rate applicable shall be added to the prices.

2) In the absence of a particular agreement, payment must be made in full on the account of the Supplier, as follows:

Terms of payment

30% within 8 days after acceptance of the order by the Purchaser.

60% 8 days before delivery, by no later than 30 days after report that the goods are ready for shipment.

10% after commissioning and receipt of all appropriate documentation.

3) The Purchaser shall only have the right to withhold payment or offset payments against claims, if there is a counterclaim which is not disputed or has been determined final and binding.

III. Delivery time, Delivery delays

1) The delivery time shall begin on the date of confirmation of the order, but not before the Customer provides the documents, approvals, clearances required and receipt of any agreed down payment.

2) The delivery time shall be regarded as observed if the object of the delivery has left the factory or warehouse by the time of its expiry or the Customer has been informed of the readiness for shipment, unless otherwise agreed in writing.

3) In the event of industrial action or the occurrence of unforeseen impediments that are outside the control of the Supplier, or in the event of impediments for which a subcontractor is responsible, the delivery time shall be extended accordingly.

4) If the shipment is delayed as a result of circumstances for which the Purchaser is responsible, from 14 days after the day of the notification of readiness for shipment, it shall be charged third party storage costs and 1% of the invoice amount for each month of storage on the Supplier's premises. Following the provision of a grace period, agreed with the Purchaser, that has elapsed without result, the Supplier is entitled to dispose of the object of delivery otherwise and thereafter to deliver to the Purchaser within a reasonable period.

5) Compliance with the delivery time is subject to the Purchaser fulfilling its contractual obligations.

6) If the Purchaser has not accepted the object of the contract or fulfilled its payment obligation more than six weeks following the notification of availability, the Supplier shall be entitled, after the provision of a grace period of 14 days, to withdraw from the contract or claim compensation for non-performance. If the Supplier claims compensation for non-performance, it may claim 15% of the purchase price as a flat rate compensation. If the Supplier does not assert the right to flat rate

compensation, it shall also be authorised to freely dispose of the object of delivery, without prejudice to its other rights, and may instead deliver a similar object pursuant to contractual conditions within a reasonable period of time.

7) In the event that the customer does not accept the goods, does not pay, or is otherwise in breach of contract, the Supplier is entitled to damages. As the Supplier acquires component parts, engines, etc. from third party companies to a large extent, is entitled to the actually incurred damages.

8) The Supplier grants the Purchaser the right to cancel the contract provided that the Purchaser is willing to pay the cancellation costs according to the following graduated scale. The cancellation costs are in %:

31 days from conclusion of the contract /order confirmation 10 %

31-60 days 30 %

61-90 days 50 %

91 days until the date of notification of the readiness for shipment 70 %

The Purchaser is only entitled to cancel if it pays the afore-mentioned amounts. If the Purchaser cancels the contract according to this provision, the Supplier shall remain the owner of the plant and the services which are still in progress.

9) If necessary component parts cannot be produced in time (delivery bottleneck) although the Supplier ordered these in time, the delivery deadline shall be extended accordingly. The Supplier must inform the Purchaser hereof immediately in writing. Fixed delivery deadlines shall only apply if these were agreed in writing by the Supplier.

10) The right is reserved for changes to construction or form, deviations in the colour and changes to the scope of delivery to be made by the Supplier insofar as the object of purchase is not significantly modified and the changes are acceptable to the Purchaser.

IV. Transfer of risk, Acceptance

1) Goods are shipped at the cost and risk of the Purchaser, unless otherwise agreed. The risk of accidental loss or accidental deterioration shall be transferred to the Purchaser upon delivery ex works unless agreed otherwise.

- 2) If the shipment is delayed at the request of the Purchaser or if the goods are not accepted for reasons for which the Supplier is not responsible, the risk shall be transferred to the Purchaser upon notification of readiness for shipment. Any costs incurred for storage, shall be borne by the Purchaser.
- 3) The unloading of goods is the responsibility of the Purchaser and shall be at its expense.
- 4) Partial deliveries may be made insofar as this is acceptable for the Purchaser.
- 5) The risk of accidental loss and accidental deterioration of the object of purchase shall be transferred to the Purchaser with the delivery of the object of purchase to the carrier, freight forwarder or any other person appointed to deliver to the Purchaser. It is deemed equivalent to the hand-over if the Purchaser delays acceptance.
- 6) The Purchaser must protect and if applicable insure the delivered goods against theft, vandalism and damage caused by external influences (e.g. weather), insofar as no insurance coverage exists yet. The Purchaser shall be held liable for damages caused thereby.
- 7) In case of deliveries including assembly the risk shall be transferred to the Purchaser with the termination of the assembly. If, following shipment ex works, however before the transfer of risk, the object of purchase is damaged or destroyed by force majeure, war, sabotage or other inevitable circumstances for which the Supplier is not responsible, the Supplier shall also be entitled to the portion of the remuneration corresponding to the damaged or destroyed object of purchase.

V. Reservation of title

- 1) The object of purchase shall remain the property of the Supplier until the claims of the Supplier, to which it is entitled owing to the contract, are fulfilled. The reservation of title shall also apply to all claims subsequently imposed on the Purchaser by the Supplier in relation to the object of purchase, for example due to repairs, or deliveries of spare parts as well as other services.
- 2) Any processing or treatment of the object of purchase under the reservation of title, and any incorporation with external items by the Purchaser or third parties shall be carried out for the Supplier. The Supplier shall be entitled to co-ownership of the newly produced item in proportion to the value of the object of purchase.

3) The Purchaser is entitled to process and dispose of the object of purchase within the scope of its ordinary business operations; for purposes of collateral, it hereby now already assigns its claims from the resale of the object of purchase to the Supplier in respect of monies owing to the Supplier. The Purchaser is authorised to collect the claim.

4) In the event of intervention by third parties, in particular seizure of the object of purchase, the Purchaser must immediately inform the Supplier in writing and notify the third parties immediately of the reservation of title of the Supplier. The Purchaser shall bear all costs to be incurred to remedy the intervention and to reclaim the object of purchase, insofar as these cannot be recovered from third parties.

5) The Purchaser must maintain the object of purchase in proper condition during the period of reservation of title, and have all the maintenance works foreseen by the manufacturer and required repairs carried out immediately, irrespective of emergencies, by the Supplier or by a workshop recognised by the Supplier to handle the object of purchase.

6) The Supplier is entitled to cancel the contract if the Purchaser or a third party files an application for commencement of insolvency proceedings in respect of the Purchaser.

VI. Purchaser's services in case of assembly

1) The Purchaser shall, at its own cost, create all the pre-requisites enabling efficient assembly by the Supplier in time.

2) Upon request by the Supplier, this shall include the provision of skilled workers and assistants, devices, power, water and tools and equipment, as well as the preparation of all earthworks, foundations, construction and scaffolding. Access routes and space for assembly must be levelled to floor level and have sufficient room for manoeuvre for vehicles and the foundations must be completely dry and hardened. At the request of the Supplier, the Purchaser shall provide suitable rooms for personnel and assembly devices.

3) For assembly overseas, all entry, work and other required permits shall be obtained by the Purchaser at its own cost.

VII. Performance

1) The delivery shall be deemed as fulfilled if the object of purchase has been handed over to the

buyer or notification has been given of readiness for shipment. The risk shall also pass from this time.

2) From the day of performance onwards, the Supplier shall be liable pursuant to the provisions of Article VIII.

3) Objects of purchase delivered shall be accepted by the Purchaser, even if they feature insignificant defects, irrespective of the rights under Article VIII.

VIII. Defects of quality

1) The discovery of a defect of quality must be notified to the Supplier in writing immediately. Replaced parts shall become the property of the Supplier.

2) The costs for the remedy of the defects or substitute delivery shall be borne by the Supplier.

3) If it is determined that this does not concern a warranty case, but the claimed defects are a result of the fact that the Purchaser has not treated the plant properly, then the Purchaser shall bear these costs.

4) When undertaking any necessary subsequent improvement work, the Purchaser must

a) grant the required time and opportunity.

b) provide assistants, devices and operational equipment at it's own cost and carry out any secondary work.

c) carry out any works exceeding the original scope of the contract at it's own cost.

5) The obligation to remedy the defects of quality shall not refer to natural wear and tear and parts, which as a result of their material condition or according to their use are subject to premature consumption. The Supplier shall further not be liable for damages, which are suffered by the fact that the Purchaser improperly stores, treats or uses the contractual objects, carries out faulty assemblies or putting into operation itself, uses unsuitable operational equipment, subjects products to excessive use, etc. A liability shall not exist either in case of possible other circumstances, which occurred without the fault of the Supplier (for example, faulty foundations, unsuitable building foundations, chemical or electro-chemical or electrical influences, etc)

6) The obligations to rectify defects of quality shall not exist, if

a) the Purchaser has not notified the Supplier in writing immediately of a defect. or

- b) changes have been made improperly by the Purchaser or third parties without the prior consent of the Supplier or
- c) parts are incorporated in the object of purchase, the use of which was not approved by the Supplier, or
- d) the object of purchase is changed in a manner not approved by the Supplier or
- e) parts are incorporated by third parties, which influence the operation of the unit or
- f) the Purchaser has not observed the provisions on handling, maintenance and care of the object of purchase (for example as stated in any manual).

IX. Liability

- 1) If the Supplier installs spare parts within the period of the the warranty for such parts is one year, this deadline shall not end before the warranty period for the delivered unit.
- 2) For damages not incurred to the object of delivery itself, the Supplier shall be only liable, no matter for which legal grounds, in the event of
 - a) wilful intent;
 - b) gross negligence by the Supplier, or it's staff;
 - c) culpable personal injury or death

X. Use of software

Insofar as this is comprised within the scope of delivery, the Purchaser is granted a non-exclusive right to use the software delivered including it's documentation. It is granted for the use on the object of delivery it is intended for. Use of the software on more than one system is forbidden.

The Purchaser undertakes not to remove manufacturer information, in particular copyright notices, or to modify them without the prior explicit permission of the Supplier.

All other rights to the software and documentation including copies are retained by the Supplier or the software provider. The Purchaser is not permitted to grant sub-licences.

XI. Applicable law, Place of Jurisdiction

- 1) For all legal relations between the Supplier and the Purchaser, the law of England and Wales will apply
- 2) The court which is responsible for the registered office of the Supplier shall have jurisdiction.

The Supplier is entitled, however, to file an action at the headquarters of the Purchaser if it so decides.

XII. Variation

1) No variation of this agreement shall be effective unless it is in writing and signed by the parties or their authorised representatives.

XIII. Notices

1) Any notice given to a party under this contract shall be in writing and shall be:

a) delivered by hand or by pre-paid first class post at the registered office or it's principal place of business

b) any notice shall be deemed to have been received:

i) if delivered by hand on signature of a delivery receipt (or at the time the notice is left at the proper address)

ii) if sent by pre-paid first class post at 9.00am on the second business day after posting

XIV. Third party rights

1) A person who is not a party to the agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.