



Psicon BV General Terms and Conditions

Psicon BV ("Seller"), a company organized and existing under the laws of the Netherlands, hereby agrees to sell to the customer named in the Order (as defined in paragraph 18) ("Buyer") and Buyer agrees to purchase the Goods and/or Services specified in the Order under these Terms and Conditions for the Sale of Goods and/or Services (the "Agreement"). Buyer and Seller are hereafter sometimes referred to individually as a "Party" and collectively as the "Parties".

Paragraph 1

1. All delivery contracts with the Seller, including contracts for repairs are subject to the following terms and conditions. Placing an order with the Seller or accepting our first delivery states the Buyers' acceptance of these terms and conditions, which, unless otherwise agreed, are valid for the entire duration of the business relationship.
2. Our offers are always submitted without engagement. Contracts, also content wise are only valid after our written confirmation or delivery through the Seller.
3. The Buyer is not authorized to transfer any rights or obligations under this contract without our prior assent.

Paragraph 2

1. Offers and their acknowledgements have to be made in writing; this includes electronic, telegrams and telexes.
2. Enclosures, amendments and changes to the contract also have to comply with section 1 of this paragraph.

Paragraph 3

1. The partners can only change or cancel the contract by mutual agreement.
2. Withdrawals from or unilateral changes of the contract are restricted to the cases explicitly stated therein.

Paragraph 4

All enclosures to this contract such as technical conditions, specifications, special testing conditions, Instructions as to packing, marking and coding, as well as others referred to or mentioned in the contract form an integral part thereof.

Paragraph 5

All prior correspondence and/or contract negotiations expire with the conclusion of this contract.

Paragraph 6

Unless otherwise stated in this contract, the terms of delivery comply with Inco terms 2000.

Paragraph 7

1. The consideration to be paid by Buyer to Seller for Seller's sale of parts, materials, supplies or other products ("Goods") and/or provision of services ("Services") shall be in accordance with the terms of the applicable Order (as defined hereinafter) or, if none, in accordance with Seller's published price list in effect at the time and in the specific location where the Goods or Services are requested.
2. Seller shall submit an invoice(s) to Buyer covering charges for Goods sold or Services performed, and unless alternate payment terms are specified or approved in writing by Seller's credit department, Buyer shall pay each such invoice within thirty (30) days of its receipt by Buyer.
3. In the event Buyer disputes any invoice in whole or in part, Buyer shall notify Seller of the dispute as soon as practicable but in no event later than thirty (30) days from receipt of such invoice and shall pay the undisputed portion in accordance with Paragraph 5 without abatement, reduction or set off of any nature, including, without limitation, any abatement, reduction or set off thereof arising out of any present or future claim Buyer may have against Seller.

Buyer and Seller shall promptly endeavor to settle and adjust any disputed amount forthwith.

4. Any cancellation by Buyer of an order for Goods after Seller's receipt of such order shall be subject to a restocking charge of twenty-five percent (25%), plus any packing, transportation or other costs actually incurred. Additionally, Goods specially built or manufactured to Buyer specifications, or orders for substantial quantities manufactured specially for Buyer, may only be canceled subject to payment of a cancellation fee by Buyer. Any return of Goods to Seller shall be subject to Seller's approval and to such Goods being in the same condition as when they originally left Seller's facility for shipment to Buyer.

5. Invoices remaining unpaid after thirty (30) days shall accrue interest with a minimum rate of 1% per month, compounded monthly, or the maximum rate permitted by applicable law on the unpaid balance from the invoice date until paid. In the event invoices are given to an attorney, collection agency, or other collector for collection, or if suit is brought for collection, or if it is collected through probate, bankruptcy, or other judicial proceeding, then Buyer shall pay to Seller costs of collection, including reasonable attorneys' or collectors' fees and court costs, in addition to other amounts due as set out below:

a) The Seller is entitled to claim for an amount equal to the legal maximum allowable compensation according to Dutch law with respect to the extrajudicial collection costs and will be calculated in accordance with the Dutch law for the compensation for extrajudicial collection costs ("Besluit Vergoeding voor buitengerechtelijke incassokosten), the moment the outstanding amount, within 14 days from one day after the date of the collection letter by the Seller is not paid.

b) The Seller, with exception to article 6:96 paragraph 5 of the Dutch Civil Code and also with exception to the Dutch law for the compensation for extrajudicial collection costs ("Besluit Vergoeding voor buitengerechtelijke incassokosten) is entitled to a claim for compensation for extrajudicial collection costs which is set at an amount equal to 15% of the total outstanding amount with a minimum of €75,00 for each partial or full unpaid invoice.

6. If Buyer's internal procedures require that a purchase order be issued as a prerequisite to payment of any amounts due to Seller, it shall timely issue such purchase order to Seller, incorporating by reference the terms and conditions of this Agreement. Buyer agrees that the absence of a purchase order, other ordering document or administrative procedure may not be raised as a defense to avoid or impair the performance of any of Buyer's obligations hereunder, including, without limitation, payment of amounts owed to Seller.

7. Buyer shall pay to Seller, in addition to the prices provided for herein, any foreign or domestic duty, sales or use tax, manufacturer's tax, occupation tax, license, privilege, excise tax, value-added tax, gross receipts, custom, inspection or testing fee, or any other fee, tax or charge ("Tax") that Seller may be required by any municipal (including, without limitation, special taxing authority), state, federal or foreign government law, rule, regulation or order to collect or pay with respect to the sale, transportation, storage, delivery, installation or use of any Goods provided hereunder or Services performed hereunder. Seller shall indemnify Buyer against any liability and expense in excess of the amount of Tax due that is incurred by Buyer by reason of Seller's failure to properly remit said Tax to the proper government agency. In the event that Seller recovers a refund of, or credit for, any Taxes paid to Seller by Buyer with respect to the Goods provided or Services performed hereunder or of any Taxes measured by the price of such Goods or Services or the gross receipts from such sale, then Seller agrees to refund to Buyer the full amount of such refund or credit.

Further, Buyer shall be under no obligation to share with, or refund to, Seller any duty drawback recovered by Buyer as a result of the export of products purchased hereunder. Notwithstanding the above, Seller shall not collect, and Buyer shall not pay, any such Tax for which Buyer furnishes to Seller a properly completed exemption certificate or a direct payment permit certificate or for which Seller may claim an available exemption from Tax, such as exemption for export. Buyer shall be responsible for any Tax,



penalty and interest if such exemption certificate or direct payment permit certificate is later held by any proper authority to be invalid. Further, Seller shall not collect and Buyer shall not pay any Tax based on or measured by the net income or net worth of Seller, or any employment related Tax.

8. In the case of the Buyer's delay of payment or clear pointers as to his imminent bankruptcy we are authorized to suspend our engagement in current orders and to demand immediate payment of all unmatured claims, including bill/s of exchange and/or deferred payments or to ask for suitable securities.

Should the Buyer fail to submit the requested payments or securities within reasonable time, we have the right to withdraw from the contract and to charge all accrued costs including lost profits to the Buyer.

Paragraph 8

Partial and early deliveries are understood to be agreed in the contract.

Paragraph 9

Should the Buyer not comply with his contractual obligations to cooperate in the production of the goods within the agreed period of time or should he at a later date change the documentation handed over by him and thus cause production difficulties, the Seller is authorized to extend the delivery period accordingly and to hold the Buyer responsible for any associated damages. However, this delay in delivery may not exceed the time of the Buyer's delay in fulfilling this above mentioned obligations.

Paragraph 10

In the case of installations being carried out through the Seller, the parts are considered accepted unless a complaint is lodged within five days from completion of installation.

Paragraph 11

1. Unless otherwise agreed in this contract, the Seller keeps the exclusive claim to all technical documentation handed over to the Buyer.

2. The Buyer may use this technical documentation - to which the Seller keeps the exclusive claim - only within his own country and only to aid the maintenance of his own equipment.

3. The documentation in connection with this contract may not be published.

Paragraph 12

1. Title to the goods shall remain with the Seller until all our claims against the Buyer have been satisfied.

2. The Buyer may sell our reserved goods only in the ordinary course of business and only as long as he is not in default of payment.

The Buyer is not authorized to dispose of our reserved goods in any other way (collateral assignment, pledge, etc.). Purchase prices or wage claims of the Buyer based on the resale of our reserved goods are herewith transferred to the Seller in the amount of our invoice values until all our claims have been met. The Buyer is revocable authorized to collect such debts.

3. We are obliged to release such securities from pledge which exceed our securable open claims by more than 20%.

4. In the case of delay of payment, imminent bankruptcy, enforcements by writ or protest of a bill of exchange on the part of the Buyer, we are authorized to reclaim our reserved goods, which the Buyer is obliged to hand over.

5. In the case of our reserved goods being seized or otherwise impaired by a third party, the Buyer is to inform the Seller without delay. Any costs incurring through such actions of third parties will be met by the Buyer.

Paragraph 13

1. Seller's warranty subject to the limitations in this agreement, for a period of ninety (90) days from the date of completion of Services or

delivery of Goods, Seller warrants that the Goods and/or Services to be provided pursuant to the provisions of this Agreement shall conform to the specifications set forth in the relevant order for such Goods or Services, and if not so specified, such Services shall be performed in a good and workmanlike manner and the Goods shall be free from defects in material and workmanship. In the event that Seller's Services and/or Goods fail to comply with the applicable foregoing standard, then as Buyer's sole remedy for such non-conformance, Seller, in its sole but reasonable discretion (i) in the case of Services, shall re-perform such non-conforming Services, or (ii) in the case of Goods, shall repair or replace such non-conforming Goods with the type originally furnished or if no longer reasonably available, a reasonable substitute. In the event that Seller cannot satisfy (i) and/or (ii) as applicable, Seller shall refund the fees paid with respect to the nonconforming Services and/or Goods (but only to the extent (i) and/or (ii), as applicable, is brought to Seller's attention in writing by Buyer prior to the expiration of the warranty period set forth herein). This warranty shall not apply to normal wear and tear. Seller's obligation under this warranty shall not include any transportation charges, cost of installation, cost of obtaining access to the non-conforming item, duty, taxes or charges whatsoever.

2. Notwithstanding anything contained in this Agreement to the contrary, Seller makes no warranties or representations of any kind, whether expressed, implied or statutory, and disclaims any responsibility for any Goods sold hereunder which are not manufactured by Seller. To the fullest extent permitted by law and by the manufacturers, Seller shall assign to Buyer any assignable manufacturer's warranty given to Seller by the manufacturer(s) of such Goods but Seller does not guarantee those warranties or in any way represent or warrant that any such manufacturer's warranties are enforceable or effective to remedy any defect in such Goods.

Claims under any manufacturer's warranty shall be made by Buyer in accordance with the manufacturer's requirements. Seller agrees to use all reasonable efforts to cooperate with Buyer in processing any such claims.

3. The warranties contained herein do not apply (i) to repairs or replacements required because of accident, misuse, neglect or failure to maintain in accordance with manufacturer specifications, (ii) to any portion of the Goods or Services modified by or on behalf of Buyer, (iii) where manufacturer serial numbers or warranty decals have been removed or altered, (iv) where Seller performed as directed by Buyer, its agents or representatives and the warranty matter arises as a result of Seller's compliance with those directions, (v) where Buyer fails to follow the recommended operating and maintenance procedures of the original equipment manufacturer, (vi) where Buyer fails to maintain a industry standard safety shutdown/alarm system or (vii) where Seller is not invited to participate in start-up procedures after installation of the Goods.

4. Except for the express warranties stated herein, seller disclaims all warranties on the goods and services furnished hereunder, including, without limitation, all implied warranties of merchantability and fitness for a particular purpose. Buyer acknowledges and accepts the express warranties as its sole remedy with respect to the goods and services. If any warranties are implied by applicable law with respect to the goods and services and cannot be contractually excluded, the parties agree that seller's liability for a breach of such implied warranty shall be limited to, in seller's sole but reasonable discretion, (i) in the case of services, the reperformance of such services, or (ii) in the case of goods, the repair or replacement of such goods with the type originally furnished or, if no longer reasonably available, a reasonable substitute, or (iii) a refund of the fees paid with respect to the subject goods and/or services, which shall be paid within thirty (30) days of seller's receipt from buyer of the subject goods and/or written demand for a refund of fees paid for the subject services.

Paragraph 14

Notwithstanding anything contained in this agreement to the contrary, neither party shall be liable to the other party for, and each party hereby releases the other party from, any indirect, special,



punitive, exemplary or consequential damages or losses including, without limitation, any damages or losses arising out of any defect in, or failure of, or malfunction of the goods sold or services supplied hereunder, whether based upon lost goodwill, lost revenue or anticipated profits, interest, loss of use, work stoppage, impairment of other goods, loss by reason of shutdown or non-operation, increased expenses of operation of the goods, loss of use of power system, cost of purchase of replacement power, or claims of buyer or customers of buyer for service interruption, without regard to the cause(s) thereof including, without limitation, pre-existing conditions, whether such conditions be patent or latent, breach of representation or warranty (express or implied, ultrahazardous activity, strict liability, tort, breach of contract, breach of statutory duty, breach of any safety requirement or regulation, or the negligence of any person or party, including, without limitation, the indemnified party or parties, whether such negligence be sole, joint and/or concurrent, active or passive, or any other theory of legal liability.

The parties further agree that the forgoing release of liability shall also extend to each party's parent, subsidiary, affiliated and related companies and their respective.

Paragraph 15

1. Warranty claims as to the character, quality and/or quantity of our delivery have to be filed within ten days of receipt of the goods for apparent defects (immediately after discovery for hidden defects), otherwise the goods are considered accepted.

2. Warranty claims not recognized by the Seller do not release the Buyer from payment.

Withheld payments due to acknowledged warranty claims may not exceed a reasonable relation to the defects occurred.

3. Any warranty claim must include the following information:

- a) The description of the goods as per contract;
- b) The quantity for which the warranty is claimed;
- c) The contract number;
- d) Clarifying information as to which goods the warranty is claimed for;
- e) The nature of the warranty claim (deficiency, discrepancy in quality, incomplete delivery, etc.);
- f) The Buyers claims (replacement, remedy of defects, etc.);
4. Should one of the particulars stated in section 3, a) - f) be missing in the warranty claim, the Seller will notify the Buyer of the missing details. Should the Buyer then fail to submit the requested data within two weeks, the guarantee expires.

Paragraph 16

1. Mode of transport is as agreed by the partners.
2. Unless otherwise agreed in the contract, the Buyer has to inform the Seller of the shipment particulars not later than 30 days before the contractual dispatch date.

Paragraph 17

1. Unless otherwise agreed, the Seller determines the dispatch route.
2. Should the Buyer not pass on to the Seller the appropriate shipping details for the requested goods in good time, the Seller is authorized at the end of the agreed delivery period to have the goods stored at the Buyer's risk and cost. In this case the Buyer also has to meet any additional expenses related to the transport to and from such storage. The date on the warehouse receipt or safe-custody receipt for the taking-over of the goods for storage is considered the delivery date.

Paragraph 18

The partner who is responsible for intentional or consciously negligent non- or deficient compliance with the contract has to pay compensation to the other partner.

Paragraph 19

1. Buyer's taking delivery of any Goods or Seller's provision of any Services to Buyer shall constitute Buyer's acceptance of the terms

and conditions of this Agreement, together with any terms and conditions that the manufacturer of any Goods sold under this Agreement requires Seller to incorporate into a sale of its products and any terms and conditions contained in Seller's sales order, proposal or similar documentation accompanying this Agreement ("Order"). Any terms and conditions of an Order that differ from the terms and conditions of this Agreement shall only be applicable with respect to describing (i) the Goods sold or the scope of Services applicable to a particular Order to be performed, (ii) delivery terms and (iii) pricing, and shall not otherwise expand upon or modify the terms of this Agreement, including, without limitation, the warranties, indemnification or limitations of liability provisions contained herein. Seller expressly rejects any terms and conditions submitted by Buyer that are inconsistent with or in addition to the terms and conditions contained in this Agreement, and Seller's agreement to provide Goods or perform Services is expressly conditioned upon Buyer's acceptance of the terms and conditions contained herein. No waiver or alteration of, or addition to the terms and conditions contained in this Agreement shall be binding unless expressly agreed to in writing by an officer of Seller.

2. Notwithstanding anything in this Agreement to the contrary, this Agreement does not apply to or otherwise impact the Parties' agreement with respect to (i) Seller's provision of contract compression services (which includes the provision of compression services utilizing Seller's own compressor units and equipment and Seller's services related thereto) to Buyer, if any, which shall be exclusively governed by separately negotiated terms and conditions, or (ii) Seller's fabrication and sale of new, complete compressor packages to Buyer, which shall be exclusively governed by separately negotiated terms and conditions.

Paragraph 20

1. The partners are released from their responsibility for partial or complete non-compliance with their contractual obligations if this non-compliance was due to an act of God.
2. Acts of God are circumstances of extraordinary character that occurred after the conclusion of this contract.
3. The partners are also released from their responsibility for a partial or complete non-compliance with their contractual obligations if this was occasional by a bilateral agreement or the contract itself or by the substantive law of the selling country which applies to the respective contract.

Paragraph 21

1. Place of fulfilment for all deliveries and payments is our registered office in Zoetermeer, The Netherlands.
 2. The law of the Netherlands applies.
 3. The Hague the exclusive place of jurisdiction for all present and future claims based on business relations with registered traders, body corporates or public trusts.
- In the case of deliveries abroad we may at our option also institute legal proceedings in the capital of the buyer's country.