

1. GENERAL TERMS

1.1 Contract Terms

The purchase order referencing or attaching these terms and conditions (the "Order"), together with these terms and conditions (together with the Order, the "Contract"), shall become a binding contract upon receipt by Solar Turbines Switzerland Sagl ("Solar") of acceptance by the person or entity named as Supplier in the Order ("Supplier"), or upon commencement of performance by Supplier of the requested scope of supply, whichever occurs first. Goods and services ordered are referred to herein as the "Goods." Any acceptance by Supplier is limited to the acceptance of the express terms contained in the Contract only. Any proposal for additional or different terms or any attempt by Supplier to vary in any respect any of the terms of the Contract in Supplier's acceptance or in its quotation or by attachment of Supplier's terms and conditions, over stamping or by any other means is hereby objected to and rejected but shall not operate as a rejection of the Order (unless such variances are in the terms of the description, quantity, quality, specification, price or delivery schedule of the Goods) but shall be deemed a material alteration of the Contract, and the Contract shall be deemed accepted by Supplier without such additional or different terms. Such additional and different terms shall become a part of the Contract only if specifically accepted in writing and signed by an authorized representative of Solar.

1.2 Packaging and Shipping

All Goods sold hereunder are to be suitably packaged or otherwise suitably prepared for the mode of transportation and the final destination specified in the Order so as to prevent damage in transit and in order to be safely and reasonably handled. Supplier shall also comply with all specified packaging requirements of Solar. Supplier shall include one copy of the packing list in each shipping package and at least ten (10) business days before the day of shipment shall fax or email one copy of the packing list to Solar and one copy to the destination address. One copy of the packing list shall be placed on the outside of shipping container(s) in a weatherproof envelope. The Order number assigned by Solar shall be shown on all invoices, packing lists, shipping papers, and shipping containers.

1.3 Drawings, Models, Tools

All drawings, other written documents, models and tools made available by Solar or its customer(s) for the performance of the Contract shall remain the property of Solar or its customer(s), as applicable, and

shall be returned at Supplier's expense upon completion of the Contract. Solar does not guarantee the accuracy of any tooling or other quality or suitability of any such item furnished. The aforementioned drawings, models and tools and other documents, as well as drawings and documents prepared by Supplier based on information/data provided by Solar shall neither be re-used for other purposes nor duplicated or made accessible to any third party. All materials provided to Solar by Supplier in performance of the Contract may be used by Solar, its assigns, successors, affiliates and subcontractors.

1.4 Responsibility for Technical Data

Solar's approval of drawings, calculations and other documents shall not release Supplier from its sole responsibility for the quality of the goods and services to be supplied. This shall also apply to any proposal, recommendations or any other active participation made by Solar.

1.5 Inspections by Solar

Solar shall, after prior notification be entitled to have access to the production facilities of Supplier and/or of its subcontractors at any time, in order to check or expedite the status of manufacturing, inspect the use of suitable material, the employment of properly qualified staff, the application and results of Supplier's quality control procedures, and the correct performance of the work to be carried out. These inspections shall be carried out without any legal implications on acceptance of the ordered Goods. Rejected Goods may be returned at Supplier's expense, including all transportation charges paid by Solar, as applicable. Supplier shall provide and maintain an inspection/quality control system acceptable to Solar, but in any event sufficient to detect defects in the Goods, and shall tender to Solar for acceptance only Goods that have been inspected in accordance with such requirements. Records evidencing such procedures and inspections shall be made available for Solar's review during performance of the Order and for a minimum of two years thereafter. Solar may perform reviews and evaluations as reasonably necessary to ascertain compliance with this Article.

1.6 Specification and Configuration Control

Supplier agrees to supply to Solar all Goods and related services in the quantities listed and in conformance with all requirements, specifications and drawings incorporated or specified in the Order. The required test and/or inspection reports/data resulting from Supplier's compliance with applicable Order requirements and specifications shall be kept on file at

Supplier's facility and made available for review by Solar at any reasonable time. Supplier shall not make any changes in the design of any Goods, as set forth in the specifications or drawings incorporated or specified in the applicable Order, without Solar's prior written approval. Supplier agrees that if a part, drawing or specification control document is referenced in the Order, it will immediately upon receipt thereof, advise and obtain the written consent of Solar to any change in or to: (a) the design, configuration, or performance characteristics of the Goods identified in said document; and (b) the materials or manufacturing processes utilized in the production of such Goods. Changes to be reported include those which may have been made subsequent to the date of publication of any descriptive catalogs, bulletins, data sheets, etc., referenced in the control document.

1.7 Spare Parts

Supplier shall ensure availability of (a) spare and consumable parts for the Goods, and (b) repair services, for a period of at least ten (10) years after expiry of the warranty period. Thereafter, Supplier agrees to give reasonable prior notice to Solar of the planned obsolescence of any part required to service or maintain the Goods (except in cases where the part is replaced by a compatible part with improved reliability, performance or longevity) and shall give Solar an option to purchase reasonable quantities of the parts prior to obsolescence. If Supplier does not comply with this Article, Supplier shall provide Solar with access and rights to use all information, drawings and intellectual property of Supplier necessary to obtain compatible parts and maintenance services for the Goods.

1.8 Proprietary Rights; Nondisclosure

(a) Proprietary Information. In its preparation for or performance of this Order, Supplier may receive or come into possession of Solar's proprietary information, including but not limited to designs, specifications, instructions, forecasts, trade secrets, data or "know how" pertaining to the Goods or Supplier's performance of the Order (collectively "Proprietary Information"). Additionally, Supplier may develop, solely or jointly with Solar, written, graphic and/or machine readable designs, specifications, data or any other information pertaining to the Goods or Supplier's performance of the Order, which is deemed commissioned at Solar's request or direction. Such information shall be considered Proprietary Information, and ownership and all intellectual property rights to such information shall vest in, and is hereby irrevocably transferred and assigned to, Solar. "Intellectual property rights" as used in this Article means all possible worldwide trademarks, service marks, trade names, trade dress, logos, copyrights, rights of authorship, inventions, mask work rights, moral rights, patents, rights of inventorship, all applications, registrations and renewals in connection with any of the above, database rights, know-how, trade

secrets, rights of publicity, privacy and/or defamation, rights under unfair competition and unfair trade practices laws, and all other intellectual and industrial property rights related thereto. Proprietary Information shall not include information that (a) is already known by Supplier prior to the disclosure by Solar; (b) is or becomes available to the general public through no act or fault of Supplier; or (c) is rightfully disclosed to Supplier by a third party not under a similar obligation to maintain the information in confidence. If Supplier wishes to rely on the exceptions contained in clauses (a), (b) or (c) above, then Supplier must demonstrate to Supplier the facts underlying why the exception applies within thirty (30) days of receipt or development of the Proprietary Information.

(b) Confidentiality. Supplier agrees to maintain the confidentiality of all Proprietary Information, and specifically agrees (a) to take all actions reasonably necessary under the circumstances to maintain the confidentiality of the Proprietary Information; (b) to use Proprietary Information only in Supplier's preparation for or performance of the Contract; (c) to limit access to Proprietary Information to only those employees within Supplier's company who have a need to know, and inform these employees of the provisions of this clause; (d) to conspicuously mark all documents and electronic files containing Proprietary Information as confidential and the property of Solar; (e) not to copy documents or electronic files that include Proprietary Information, or allow them to be copied, except as required for Supplier's efficient performance of the Contract; (f) not to use Proprietary Information for the benefit of any person or entity other than Solar; and (g) not to transmit or disclose Proprietary Information to others without the prior written consent of Solar.

(c) Ownership. Solar retains all right, title and interest to all Proprietary Information, and to all modifications and derivative works thereof and to all intellectual property rights related thereto. Supplier, on behalf of itself and any of its employees who perform any work under the Contract, if any, hereby irrevocably waives any right to assert any moral rights it might have had in the Proprietary Information. Supplier further acknowledges that such Proprietary Information includes valuable trade secrets of Solar, that inventions reflected in Proprietary Information may be protected under pending or issued patents owned by Solar or its affiliates, and that particular expressions of such Proprietary Information may be protected under copyrights owned by Solar or its affiliates. Supplier's receipt of Proprietary Information in connection with its performance of the Order shall not be deemed an assignment or license of Solar's rights in such information, inventions and works of authorship. Any Supplier use of Proprietary Information shall inure to Solar's exclusive benefit.

(d) Unauthorized Disclosure. Supplier shall notify Solar immediately upon discovery of any unauthorized use or disclosure of Proprietary Information, and shall fully cooperate with Solar to help regain possession of Proprietary Information and prevent any future unauthorized use or disclosure of Proprietary Information.

(e) Return of Proprietary Information. Upon termination of the Contract, or at any earlier time as Solar may request, Supplier shall return all documents and electronic files containing Proprietary Information to Solar, and shall retain no notes on, or copies or abstracts of, Proprietary Information.

(f) All technical, business or any other information disclosed heretofore or hereafter by Supplier to Solar in connection with a Contract or Order, including the amount of any quote (but not the Supplier as being the source of the quote) related to the Goods provided by Supplier to Solar, is on a non-confidential basis. Supplier agrees to not disclose to Solar or any of its employees information in confidence belonging to Supplier or a third party.

(g) If an Order includes development services, such as the design of a unique product or modification of an existing Seller product, Seller grants to Solar and its affiliates a perpetual, worldwide, paid-up, royalty-free, nonexclusive license, with the right to sublicense, to make, have made, use, offer to sell, sell, export and import all inventions or other results of Seller's development work that Seller conceives, develops, acquires, or reduces to practice in the course of performing work under an Order, and Seller shall provide to Solar all documentation, information, and other materials including, without limitation, all drawings, prints, specifications, data, instructions, and manuals related to such inventions or other results of Seller's development work, necessary for Solar to receive the full benefit of such license.

(h) Supplier grants to Solar and its affiliates the right to repair and reconstruct any Good (including, for example, the right to rebuild the Good and the right to remanufacture any Good by disassembling its constituent components and reassembling old and new components into a remanufactured Good) and the right to have the same done by others on behalf of Solar and its affiliates.

(i) Supplier grants to Solar and its affiliates a perpetual, worldwide, paid-up, royalty-free, nonexclusive license (with a right to sublicense third parties) under each copyright that Supplier owns, controls, or has a right to grant a sublicense to, to use, reproduce, distribute, make derivative works of, publicly perform, and publicly display any software that is embedded or loaded in the Goods ("Embedded Software") in conjunction with the use or sale of the Goods. In addition, Supplier grants to Solar and its

affiliates (with a right to sublicense third parties) a perpetual, worldwide, paid-up, royalty-free, nonexclusive license under each copyright that Supplier owns, controls, or has a right to grant a sublicense to, in any work of authorship fixed in any tangible medium of expression delivered by Supplier under an Order (including, without limitation, drawings, prints, manuals, and specifications) to use, reproduce, distribute, make derivative works of, publicly perform, and publicly display such work.

1.9 Changes in Scope of Supply

Solar shall have the right at any time to reasonably add to or delete from the scope of supply specified in the Order, change the method of shipment or packing, place of inspection, delivery or acceptance, or order the temporary suspension of work, by notice of written change order to Supplier. If such changes affect price or performance of Goods, Supplier shall notify Solar immediately and negotiate an equitable adjustment to the Order price, but Supplier may not stop performance of the Order. Upon Supplier's receipt of a written change order, Supplier shall proceed without delay to implement the change. Supplier shall make no changes to the scope of supply or Solar's specifications without prior advance written authorization from Solar.

1.10 Insurance

(a) Solar shall have no obligation to insure or be responsible for any loss or damage to property of any kind owned or leased by Supplier (including any subcontractor), its employees, servants or agents.

(b) Supplier and its subcontractors, if any, at their sole costs, shall maintain insurance coverage as described below throughout the entire term of the Contract with insurance companies acceptable to Solar. The limits set forth below are minimum limits and shall not be construed to limit Supplier's liability. All costs and deductible amounts shall be for the sole account of Supplier or its subcontractors. All policies required by Solar pursuant to this Order (or otherwise) shall name Solar as an additional insured (per ISO Endorsement #CG2026 or its equivalent) and waive subrogation rights in favor of Solar, except policies providing statutory Worker's Compensation and Professional Liability coverage. All policies shall also be designated as primary coverage to any similar coverage carried by Solar.

(c) Supplier shall not commence work or provide supplies or Goods under this Contract until all insurance as required hereunder has been obtained, and certified copies of such insurance policies or certificates of insurance have been submitted to and accepted by Solar.

(d) All policies shall contain provisions that provide at least thirty (30) days written notice by certified mail, with return receipt, to Solar prior to any cancellation, suspension, non-renewal, or reduction in

coverage or limits. Supplier shall deliver Certificates of Insurance in a form satisfactory to Solar evidencing the existence of the required insurance coverage.

(e) Any policy of insurance as respects work to be performed under the Contract and submitted by Supplier must be acceptable to Solar. Insurers must have a minimum rating of "A VII" (A7) as evaluated by the most current A.M. Best Rating Guide. If the insurer has a rating of less than A VII, Supplier must receive specific written approval from Solar's Purchasing Representative prior to proceeding.

(f) The required coverage shall be:

(i) Worker's Compensation and Employers' Liability Insurance providing benefits as required by applicable law; with a minimum limit of CHF1,000,000 or equivalent per occurrence or limits set by applicable law, which ever is greater;

(ii) Commercial General Liability Insurance (Occurrence Coverage) including products, completed operations, contractual liability coverage of indemnitees contained in the Contract (if applicable) and Supplier's contingent liability for subcontractors with a minimum combined single limit of liability of CHF1,000,000 or equivalent per occurrence for bodily injury or death and property damage;

(iii) Business Automobile Liability Insurance (Occurrence Coverage) for owned, non-owned, and hired automotive equipment with a minimum combined single limit of liability of CHF1,000,000 or equivalent for each occurrence for bodily injury and property damage.

(iv) Umbrella/Excess Liability Insurance (Occurrence Coverage) may be required in excess of items (i) through (iii) above, depending upon the type of work performed or Goods to be provided.

(v) If the scope of work under the Contract includes design or engineering or other professional Services, Solar shall have the option of requiring an Errors or Omissions Liability policy with appropriate coverage as designated by Solar.

1.11 Performance Guarantee

Solar shall have the right at any time to require Supplier to furnish a performance guarantee covering the full performance of the Contract and the payment of all obligations arising under the Contract from Supplier to Solar. Such guarantees shall be issued by a First Class bank, shall be payable upon first demand of Solar, and shall be confirmed and presentable to a bank designated by Solar in Switzerland.

2. HANDLING / IDENTIFICATION OF HAZARDOUS MATERIALS

Supplier warrants that it is fully aware of any risk which may arise in connection with shipment, packaging, storage, application, disposal, etc of the goods. Prior to accepting the Order, Supplier shall determine whether the Goods or their constituent parts

are classified as hazardous materials (e.g. paints, adhesives, chemicals, or inflammables, oxidizing, explosive, combustible, poisonous, radioactive, corrosive materials, or potentially self-igniting goods). In such cases, Supplier shall inform Solar immediately by giving relevant details. Supplier shall send to Solar the requisite binding declarations correctly filled in and duly signed at the latest together with Supplier's written Order confirmation. The most recent applicable national and international regulations shall be observed concerning packaging, marking and declarations as well as any divergent or supplementary regulations of the country of destination, provided that Supplier is notified of the country. Supplier shall be liable for all damages arising as a result of incorrect information/data in the binding declarations or from failure to comply with existing regulations when handling hazardous materials (packaging, shipping, storage, etc.) and shall indemnify and defend Solar therefrom.

3. EXPORT LICENCE

Supplier shall immediately inform Solar whether the Goods to be supplied are subject to Export Authorisations/Licences. Supplier shall be responsible for compliance and obtaining such Authorizations and Licenses. Supplier shall also be responsible to provide accurate harmonized tariff codes, export control classification numbers, certificates of origin and other information and documentation regarding the Goods as required by Solar or for international transport purposes.

4. DELIVERY PERIOD

Should Supplier become aware that the agreed delivery dates cannot be met he shall notify Solar of this in writing immediately. Early delivery/performance or early part delivery/ performance shall require the written consent of Solar.

5. LIQUIDATED DAMAGES

5.1 Liquidated Damages for Delay in Delivery

Unless otherwise agreed, for every commenced or part week exceeding the contractual delivery schedule for delivery of conforming Goods, Solar shall be entitled to claim liquidated damages amounting to one (1) percent of the Order price up to a maximum of ten (10) percent of the Order price in addition to the performance of the Contract. This shall not exclude any claims for actual damages in respect of delay irrespective of the legal basis of such claims. Solar shall retain its rights until final settlement/payment, even if Solar has not expressly reserved its rights at the time of acceptance.

5.2 Further Rights Accruing in Event of Delays

Without prejudice to any other rights either after expiry of a final reasonable remedy period as Solar shall determine or where, as a result of the delay, the

delivery is of no value anymore, Solar may at its discretion and without setting any further remedy period, terminate partly or in total the Contract by notice to Supplier and/or arrange for performance of non-furnished deliveries/services by any third party at the expense of Supplier. Should documents be required for this purpose which Supplier has in its possession then Supplier shall hand over these documents to Solar without delay. Should intellectual property rights prevent a third party from supplying replacement goods/services, Supplier shall be obliged to obtain a corresponding release from, or license to use, these rights without delay. Claims for contractual liquidated damages accruing prior to cancellation of Contract or award thereof to a third party supplier shall be due and payable in any case.

6. PRICE

The agreed contract price(s) set forth in the Order shall be fixed and firm prices. No escalations, reductions, or modifications in price may be made except as expressly provided for in the terms of the Contract. Unless otherwise agreed in writing, the price includes all applicable sales and use taxes, VAT, excises, duties, and like levies; and the cost of packing, freight, ad valorem cargo insurance and like charges to the point of delivery specified in the Order. Disputes about the amounts to be paid to Supplier shall not entitle Supplier to cease its supply of Goods or performance of work whether entirely, partially or temporarily.

7. PAYMENTS

Payments shall be effected at the end of the month following the complete and correct performance of the Contract from date of receipt of Supplier's signed invoice net 90 days end of month provided that Supplier's invoice is signed with all required supporting documentation and in conformity with Solar's invoicing requirements set forth in the Order. In the case of payments by installment, the date of Supplier's invoice shall be the sole criterion for the beginning of the terms unless the supply/service of certain goods/services and/or the provision of securities are agreed as pre-condition. If payments are made to take advantage of the cash discount, these shall be made subject to Supplier's fulfilling the Contract properly. In any event, Supplier shall itemize all Goods provided and work performed in a detailed final account. Delays in receiving invoices, and errors or omissions requiring corrections shall be considered just cause for withholding payment without loss of cash discount privilege. Any payments from Supplier to Solar shall be made to the address of Solar indicated in the Order. Solar shall have the right to set off any amount due and payable hereunder against any claims or disputed amounts under any other agreements or contracts existing between the parties hereto.

8. ASSIGNMENT

Supplier shall not assign its rights or delegate its duties under the Contract without the express prior written consent of Solar, and any assignment or delegation without such consent shall be void and of no legal force or effect. With written notice to Supplier, Solar may assign its rights and obligations under the Contract to any affiliate of Solar, provided that Solar shall remain ultimately liable for payment of the Order price subject to Supplier's full performance of the Order.

9. WARRANTY

9.1 Scope of Warranty

Supplier warrants that the Goods supplied are new, of first class materials and workmanship, are free of liens and of defects in material, workmanship and design. Supplier also warrants that the Goods are in merchantable condition and shall have upon delivery the qualities and characteristics of, and conform to, the specifications, drawings, samples, or other descriptions furnished to and required by Solar as set forth or referenced in the Order. Supplier also warrants that the Goods, and all services provided, are suitable for the intended purpose and conform to the latest state of the art technology as well as to all relevant laws, regulations, standards and codes issued by the authorities and professional associations in Supplier's country and the country of destination, do not infringe any third party's intellectual property rights, and with respect to all provided services that they will be performed in a professional manner by appropriately knowledgeable and skilled personnel. The warranties in this Article shall extend to Solar and to its customer(s). Supplier's warranties shall extend for that period of time set forth in the Order, but not less than twelve (12) months from the Solar customer's first commercial use, or twenty-four (24) months from date of delivery of the Goods, whichever comes first ("Warranty Period").

9.2 Extended Warranty

The warranty shall be extended by the duration of any interruption of operation caused by defective Goods or Goods not in compliance with the warranty stated above, and by the time taken to remediate the defective Goods.

9.3 Time Limit for Lodging Warranty Claims

Supplier shall waive the right to reject warranty claims lodged after the Warranty Period where such claims are preserved by applicable law governing engineering and architectural services in the country where the Goods are to be delivered or, if applicable, the country of Solar's customer for which the Goods were ordered. Solar shall otherwise lodge warranty claims within the Warranty Period.

9.4 Warranty Claim

A warranty claim shall constitute a demand binding upon Supplier and made at the discretion of

Solar to promptly rectify defects in the Goods by the supply of new, replacement Goods, or the repair of the defective Goods. Should rectification of defects or the supply of new, replacement Goods ultimately prove impossible, unreasonable or ineffective, Solar may exercise the right to terminate the Contract or to reduce the Order price or alternatively claim damages for breach of the Contract. In urgent cases and after prior notice to Supplier, or if Supplier fails to promptly cure the defect, Solar may take the necessary actions, at the expense and risk of Supplier notwithstanding the warranty obligations of Supplier to have the Goods repaired or replaced. All costs associated with the warranty obligations, in particular in connection with removal, inspection and reinstallation of the Goods, erection work, travel, freight, packing, insurance, custom duties and other official levies, examinations and technical inspections, shall be borne by Supplier. Solar's failure to inspect or reject Goods shall not relieve Supplier of any warranties or obligations provided hereunder.

9.5 Limitation of Warranty Claim

Any warranty claim of Solar shall expire at the end of the Warranty Period, except as preserved in Art. 9.3 above and for latent or hidden defects in accordance with Swiss law.

10. LIABILITY

10.1 Product Liability

In the event of claims being lodged against Solar for breach of applicable safety regulations or on the basis of domestic or foreign product liability laws due to a defect in the Goods or a cause attributable to the Goods supplied by Supplier, Solar shall be entitled to claim compensation from Supplier for the damages incurred. To the extent that defects in the Goods are attributable to goods or services supplied by subcontractors of Supplier, such defect shall be deemed to be defects in Supplier's Goods, and Supplier shall be liable for the performance of its subcontractors.

10.2 Indemnification

Supplier is liable for all damages arising in connection with the Goods and work performed by Supplier, and any resulting breach of applicable environmental law. Supplier shall indemnify, defend and hold harmless Solar, its agents, affiliates, officers and directors from and against all claims of third parties with respect to such a breach. Supplier shall also indemnify, defend and hold harmless Solar its agents, affiliates, officers and directors from and against any damages (including reasonable attorneys fees) caused in whole or in part by the acts or omissions of Supplier, any of its members, employees, agents, or other persons directly or indirectly employed by or associated with Supplier, or resulting from defects in the Goods, Supplier's failure to comply with applicable laws and regulations, Supplier's misconduct at a Solar or customer job site, or any misappropriation

of a third party's intellectual property rights, including without limitation copyright and patent infringement. Supplier warrants that none of the Goods, or the use thereof, infringes any patent, trademark, copyright, or other right and Supplier agrees, at its sole cost and expense, to indemnify, defend and hold harmless Solar, its agents, affiliates, officers and directors and Solar's customers from all costs, including attorneys' fees, expenses or damages arising out of any such infringement or claim of infringement in the use or sale of Goods covered by this Order, except Goods supplied solely in accordance with designs specified by Solar.

11. PLACE OF DELIVERY/ PERFORMANCE; RISK OF LOSS

The place of fulfillment for the delivery of the Goods shall be the delivery destination or place of utilization of the Goods as indicated in the Order and in accordance with the most recent version of Incoterms. If terms of shipment are designated in the Order, such terms shall prevail as to risk of loss. Unless otherwise so specified, Supplier shall bear the risk of loss of, or damage to the Goods until delivered to Solar's facility or to such other place as may be designated in the Order, regardless of the point of inspection. Supplier shall also bear the risk of loss of, or damage to, rejected Goods after receipt of Solar's notice of rejection; provided, however, that while the Goods remain in the possession of Solar, Solar shall bear such risk as to loss or damage caused by its willful or negligent acts.

12. JURISDICTION /GOVERNING LAW

The place of jurisdiction shall be the location of the courts exercising jurisdiction over Solar SA in Switzerland. Solar may, however, commence legal proceedings against Supplier at Supplier's place of jurisdiction or in the jurisdiction where the Goods shall be utilized. The interpretation and enforcement of the Contract and the relationship between Solar and Supplier shall be governed by Swiss law unless otherwise designated in the Order.

13. MISCELLANEOUS CONDITIONS

13.1 Intellectual Property Rights

Supplier shall grant Solar and its customers, as needed, the right to use the Goods without restriction and free of any intellectual property rights of Supplier or third parties. Any infringement actions brought against Solar or its customers with respect to such intellectual property rights shall be defended by Supplier.

Supplier shall notify Solar immediately of any infringement actions taken and keep Solar informed in detail of progress and resolution. Supplier shall involve Solar in the determination of the final resolution and Solar shall be entitled to give Supplier binding instruction relating to the conduct of related legal proceedings or negotiations at any time. Any cost associated with such legal proceedings or negotiations

shall be borne by Supplier. Supplier shall procure for Solar, free of charge, the rights of use of the Goods at all times, or shall be responsible to provide to Solar free of charge with goods and services not subject to proprietary rights of a third party.

13.2 Subcontracting

Supplier shall not subcontract any of its obligations under the Contract without Solar's prior written consent. Supplier shall at the request of Solar refrain from exercising rights of retention towards Supplier's subcontractors. Solar shall be entitled to make direct payments to the subcontractors of Supplier. Insofar as such payments refer to claims of subcontractors deemed justified by Solar, such payments shall be deemed to be payments to Supplier and in lieu of those owed to Supplier. In any event, third parties, in particular subcontractors engaged by Supplier to discharge Supplier's contractual obligations or otherwise involved by Supplier in connection with its supply of Goods shall not relieve Supplier's ultimate responsibility to fully perform the Contract

13.3 Partial Invalidity

Should individual provisions of this Contract prove to be invalid, this shall not affect the validity of the remaining contractual provisions or portions thereof. The parties to the contract shall undertake to replace the invalid provisions immediately in a supplementary agreement, with the understanding that it should be as close as possible to the economic results of the provisions held invalid.

13.4 Impermissible Publicity

The use of documents and information relating to the Contract for references or publicity purposes of Supplier shall not be permitted without prior written consent of Solar and opportunity of Solar to review and comment upon the proposed reference and publicity materials.

13.5 Compliance with Laws

Supplier agrees that by acceptance of the Order it has complied with and will comply with all applicable federal, state or local laws, regulations or orders, and all reporting requirements of said orders, rules and regulations, the terms of which are herein incorporated by reference to the same extend and effect as if set out herein in full. Supplier represents and warrants that neither it nor any of its directors, officers, employees, or representatives have engaged or will engage in Bribery in connection with its performance under this Contract or any other agreement with Caterpillar, its affiliates, or their respective directors, officers, employees, representatives, agents, successors, and assigns ("Caterpillar"). Bribery means the offering, promising, giving, or authorizing of any payment or transfer of anything of value, directly or indirectly through third parties, to any person for the purpose of influencing any act or decision of such person or securing an improper

advantage to assist Caterpillar in obtaining, retaining or conducting business.

To the extent Caterpillar permits the use of subcontractors under this Contract, Supplier agrees it (1) will instruct such subcontractors neither to engage in nor to tolerate any act of Bribery, (2) will not use such subcontractors as a conduit for Bribery, and (3) will ensure that such subcontractor complies with this clause in the same manner as Supplier is required to comply.

Supplier agrees that a violation of this clause shall constitute a material breach of the Contract and that Caterpillar may, in its discretion, either suspend the Contract or terminate it. Supplier agrees to indemnify, defend, and hold harmless Caterpillar against all demands, liabilities, fines, penalties, losses, and damages (including costs, investigation and litigation expenses and counsel fees incurred in connection therewith) arising out of or related to Supplier's obligations under this clause.

Upon Caterpillar's request, Supplier shall at its expense provide to Caterpillar in a timely manner complete and accurate information requested through due diligence questionnaires and periodic compliance certifications. If Caterpillar has reason to believe that Supplier is not in compliance with this clause, Caterpillar has the right to inquire, or to have Caterpillar's authorized representatives conduct inquiries, to ascertain the extent of the Supplier's non-compliance with this clause, and Supplier agrees to cooperate and provide all documentation and information related to this Contract or any other agreement with Caterpillar that is reasonably requested by Caterpillar in connection with such inquiries.

In the event Supplier becomes the subject of an enforcement action or receives an information request from any government entity for Bribery relating to Supplier's performance under this Contract or any other agreement with Caterpillar, Supplier shall provide to Caterpillar written notice not later than ten (10) business days following such enforcement action or information request, or the earliest date thereafter if prohibited from earlier disclosure by applicable law.

13.6 Disclosure of Conflicts; Business Conduct

Supplier agrees to promptly disclose in writing to Solar the names of all clients who retain Supplier within one year before and after the date of the Order, whose business activities or interests may in any way directly compete or conflict with those of Solar, its parent, Caterpillar, or its sister affiliate, Solar Turbines Incorporated. Supplier also agrees that it shall conduct its business in compliance with all applicable laws pertaining to antibribery and corruption, and, among other things, agrees that no remuneration received by Supplier from Solar shall be given, directly or indirectly, to any director, officer, employee, agent or

customer of Solar or any of its affiliated companies or subcontractors.

13.7 Complete Agreement

The Contract and the attachments thereto represent the entire agreement between the parties with respect to the purchase of the Goods. All prior agreements, representations, statements, negotiations and undertakings whether oral or in writing pertaining to the Goods are superseded by this Contract. No course of prior dealings between the Solar and Supplier and no usage of the trade shall be relevant to determine the meaning of the Contract even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection.

13.8 Independent Contractor

Nothing in the Contract shall be deemed to constitute Supplier or any of Supplier's employees or agents to be the agent, representative or employee of Solar or its customer(s). Supplier shall be and remain at all times an independent contractor and shall have responsibility for and control over the details and means for performing its work, provided that Supplier is in compliance with the terms of the Contract. Anything in the Contract that may appear to give Solar the right to direct Supplier as to the details of the performance of Supplier's work or to exercise a measure of control over Supplier shall only mean that Supplier shall follow the desires of Solar in the results of the services or goods rendered. Supplier agrees to indemnify and defend Solar against any demand, action, cost or expense, including without limitation social costs due to any government entity, resulting from or in any way arising out of the activities, wherever performed, of Supplier's employees and claims arising from or related to them. Supplier expressly waives, for itself, its heirs, dependents, employees, officers, directors, legal representatives, successors, and assigns any and all claims to any benefit of for participation in or under any Solar employee benefit plan.

13.9 Third Party Arrangements; Communication with Customers

Arrangements and agreements between Supplier and any customer of Solar or other third parties, shall not be binding on Solar without its prior written consent. Supplier agrees not to contact customers of Solar without first consulting with the project manager assigned by Solar.

14. FORCE MAJEURE

Force Majeure shall be deemed to mean exclusively a calamity caused by external factors such as but not limited to natural disasters, war or civil unrest that directly affect the ability of a party to perform their obligations under the Contract and that are outside the control or reasonable expectation of the

party whose performance is affected. Non-performance by subcontractors shall not be regarded as a force majeure. If as a result of force majeure Supplier is permanently incapable of fulfilling his obligations, Solar shall be bound to pay only for that part of the Contract which has been satisfactorily performed. If as a result of force majeure Supplier is delayed in its performance of its obligations under this Contract for a period longer than thirty (30) days, whether consecutively or taken together, Solar shall have the right to terminate the Contract.

15. TERMINATION

15.1 Termination for Convenience

Solar may, at its sole option, terminate the Contract in whole or in part, for its convenience, by written notice to Supplier. Upon such termination Supplier shall immediately stop work under the Contract, or the terminated portion thereof, and shall place no further orders or incur no further cost chargeable to Solar as to the terminated portions thereof except, however, as to necessary action and costs to protect property in Supplier's possession in which Solar has or may acquire an interest. Unless otherwise specified in the Order, and to the extent not previously paid, Supplier shall be entitled to the following payments, without duplication, in full settlement of all Supplier claims: (i) the order price for Goods completed and accepted by Solar; (ii) the actual costs incurred by Supplier which are properly allocable or apportionable under generally accepted accounting practices to the terminated portion of the Contract; (iii) reasonable expenses, if any, of Supplier in making settlement under Supplier's suborders and subcontracts, if any, but not including damages or loss of profit claims in either case; and (iv) such allowance for profit on work performed as may be reasonable under the circumstances but no more than 10%; less any amounts obtained as the result of mitigation efforts as described below. Payments under this Article shall in no event exceed the applicable pro rata price of the portion of the Contract terminated less payments already made thereon. Supplier shall transfer title to and deliver on Solar's instructions any property, materials and Goods the costs of which are reimbursed hereunder. Supplier will use its best efforts to mitigate such termination charges as directed or authorized by Solar, including and without limitation, (i) efforts to sell the Goods or materials and (ii) by using or returning to inventory, at cost, all items of the type carried in inventory by Supplier or which are useable by Supplier, and so credit Solar therefor.

15.2 Termination for Default

(a) Each of the following shall constitute a default under the Contract and Solar reserves the right to terminate, at no cost to Solar, all or any part of the Order if (i) Supplier fails to make progress as to endanger performance of the Contract and does not cure such failure within a period of 10 business days (or such

longer period as Solar may in writing authorize) after receipt of notice from Solar specifying such failure, or (ii) Supplier does not make deliveries as provided in the Contract, or (iii) if Supplier breaches any of the terms of the Contract, or (iv) in the event of the happening of any of the following: insolvency of Supplier; filing of a voluntary or involuntary petition in bankruptcy which is not vacated within 30 days from date of filing; the appointment of a receiver or trustee for Supplier; the execution of an assignment for the benefit of creditors or the execution of a composition with creditors or any agreement of like import.

(b) If the Order is terminated for default in whole or in part, Solar may acquire, under the terms, delivery schedules and in the manner Solar considers appropriate, Goods and Services similar to those terminated and in accordance with the delivery schedule in the Order, and Supplier shall be liable to Solar for any excess costs for those Goods and services. However, Supplier shall continue to perform any portion of the Order not terminated.

(c) If the Order is terminated for default, Solar may require Supplier to transfer title and deliver to Solar, as directed by Solar, any

(i) completed Goods; and (ii) partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively referred to as "manufacturing materials" in this clause) that Supplier has specifically produced or acquired for the terminated portion of the Order. Upon direction of Solar, Supplier shall also protect and preserve property in its possession in which Solar or its customer(s) has an interest. Solar shall pay the Order price for completed Goods and services delivered and accepted. Supplier and Solar shall agree on the amount of payment for Supplier's manufacturing materials delivered and accepted, which under no circumstance shall exceed Supplier's direct cost for such manufacturing materials. Solar may withhold from these amounts any contractual liquidated damages and any sum Solar determines to be necessary to protect Solar against loss because of outstanding liens or claims of former lien holders or from excess costs Solar may incur in completing the Goods or obtaining substitute Goods and services from others and claims Solar may have against Supplier.

(d) If, after termination for default, it is finally determined that Supplier was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been made pursuant to the Termination for Convenience provision above.

(e) To the extent permitted by, and subject to the mandatory requirements of applicable law, each and every right, power and remedy herein specifically given to Solar or otherwise in the Contract shall be cumulative and shall be in addition to every other right, power and

remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Solar, and its exercise or failure to exercise any power or remedy shall not be construed to be a waiver of its right to exercise at any time thereafter any right, power or remedy.

15.3 Right to Audit

If an audit is required by a Solar customer or should the Order or any portion thereof be anything other than a "firm fixed price" order, or should Solar require an audit to confirm any payment upon a termination for convenience or for default, then Solar may inspect, copy and shall have access to, at all reasonable times during the performance of the Contract and for five (5) years thereafter, all of Supplier's and its subcontractors, books, records, receipts, vouchers, correspondence, instructions and the like pertaining to the Contract and Goods provided, for the purpose of verifying that the charges presented and the Goods supplied by Supplier are in accordance with the Order and for any other reasonable purpose. To verify Order price data, upon Solar's request, Supplier shall furnish to Solar cost breakdowns, invoices, and related support material. Any inspection or audit shall be paid for by Solar. If the inspection or audit shows that Supplier has charged Solar an amount in excess of the amount provided in the Order by three percent (3%) or more for any given period, then Supplier shall pay to Solar within fifteen (15) calendar days after receipt of the inspection or audit report, the amount equal to the overcharge, plus interest thereon at the rate of seven percent (7%) per annum from the original date of Solar's first payment of the overcharges to the date of Supplier's repayment, and Supplier shall also pay the actual cost of such inspection or audit, including without limitation Solar's reasonable attorney's fees, reasonable accountant's fees and other reasonable costs. *The following provisions shall apply when the scope of supply includes goods or services to be provided or performed for or at specific job site(s) designated by Solar:*

16. SCOPE OF SUPPLIER'S SUPPLIES AND SERVICES

16.1 Scope and Performance for the Supply of Goods.

Supplier shall supply Goods that are compliant with the latest state of the art for such Goods, including all parts required to ensure perfect operating practice and compliance with the warranted properties of the Goods, even where Solar has not specified every detail of the Goods to be supplied. Components and parts of Goods shall be designed and fitted in such a manner as to permit low-cost inspection and maintenance.

16.2 Scope of Work

If Supplier is required to perform construction or erection, installation, testing or other work for Solar, Supplier shall provide the complete services and Goods required to satisfy all of Solar's specifications.

16.3 Obligation to Obtain Information

It shall be the responsibility of Supplier to obtain at its expense the requisite information concerning the job-site, if applicable, and the proposed use of the Goods to be delivered, in particular the meteorological and environmental conditions in which the Goods shall be used, as well as infrastructures into which the Goods may be placed, installed or used.

17. WORK ON THE JOB SITE

17.1 Responsibility

The presence of Solar's supervisory personnel on the job site shall not release Supplier from responsibility for the timely and full performance of the work and the timely delivery of conforming Goods. Supplier shall delegate an experienced and qualified erection supervisor to the job site and, provide him with required authority to act. Solar shall be notified accordingly prior to any representative of Supplier being replaced.

17.2 Coordination of Services

Supplier shall coordinate the performance of its services with all subcontractors of Solar and other parties working on the job site to the extent that this is necessary with regard to the overall construction work and as required by Solar's project manager or site supervisor. Other subcontractors of Solar shall be permitted to use Supplier's scaffolding, equipment, etc., if any, in return for appropriate compensation. Work schedules for any work to be carried out simultaneously by different subcontractors of Solar shall be coordinated as to ensure the smooth performance of Solar's contract with its customer and the applicable project schedule. Supplier shall not be entitled to assert claims on the grounds of impediments to performance of its work caused by other parties at the job site other than Solar.

17.3 Safety Measures

Supplier shall timely inform itself about all applicable safety regulations and rules at the job site and shall appoint a person responsible for safety matters who shall be assigned for the duration of the work at the job site. When performing the work, Supplier shall observe the relevant safety regulations and rules, in particular the safety regulations of Solar and its customer applicable to job site.

17.4 Protection of Environment, Protection against Fire and Explosion

Supplier shall timely inform itself about all safety and protection facilities and apparatus available at the job site and to utilize these facilities and apparatus as required.

17.5 Preparatory Work

Prior to the commencement of the work at the job site, Supplier shall fully inspect the job site, in particular foundations, ground and subsurface conditions, connections, possible impediments, etc. and shall promptly notify Solar in writing of any objection. Supplier shall not be entitled to assert claims on the grounds of unknown job site conditions following commencement of the Contract.

17.6 Supplier's Personnel

Supplier shall submit to Solar's assigned project manager and site supervisor a list indicating the names of all persons Supplier intends to employ at the job site. The list shall always be kept up-to-date. Upon request, Supplier must furnish proof that such persons have the social security and insurance coverages required by applicable law at the job site and in Supplier's country. Supplier and its personnel shall comply with all statutory and official regulations, in particular those relating to the employment of foreign and local labor at the job site. Supplier shall be liable to Solar for such non-compliance and shall indemnify and defend Solar for and against any claims by third parties, including claims or fines imposed by governmental authorities. Supplier's personnel and the personnel of any third parties engaged by Supplier may be refused access to the job site if there is cause for such refusal.

17.7 Conduct at the Job Site

Supplier and its personnel shall comply with all relevant instructions and directives of Solar. In particular, Supplier shall ensure that its employees as well as the employees of third parties engaged by Supplier shall observe the directives of Solar and its customer relating to maintenance of order, health, safety and environment at the job site and shall submit themselves to the usual checks on the job site. All equipment brought to the job site by Supplier and/or any third party engaged by Supplier, must be clearly marked with their respective name or company logo beforehand and shall have been certified, tested and maintained in accordance with the standards and laws applicable at the site. Solar and its customer shall be entitled to inspect such items. Prior to bringing or removing equipment or other items from the job site, Solar's site supervisor shall be handed over a list which he/she shall initial and keep a copy. Prior approval of Solar and its customer is required for the erection of signs at the job site.

18. ACCEPTANCE

Goods shall be subject to an acceptance procedure covering both quality and quantity. The date for the acceptance shall be set following receipt of a written application from Supplier. The result of the acceptance shall be set out in an acceptance report issued by Solar. The acceptance shall not be performed or completed in any other way, in particular not through examinations,

so-called technical inspections, issuing of other certificates or documents, use of items in question, verbal declarations, silence or payments from Solar. Supplier shall pay the material cost of the acceptance. Solar and Supplier shall each bear their own personnel cost incurred in connection with the acceptance. Supplier shall bear alone all costs of any failed acceptance procedure.

19. WARRANTY MODIFICATION

The warranty stated above shall apply but the Warranty Period shall be not less than twenty-four (24) months starting from the acceptance of the Goods by Solar's customers as indicated in a provisional acceptance certificate issued to Solar. If any of the Goods are the subject of a punch list item between Solar and its customer, Solar shall promptly inform Supplier, and Supplier shall immediately rectify the punch list item. For repaired or replaced Goods the full Warranty Period shall start again from date of their installation and acceptance. The maximum Warranty Period, however, shall end thirty-six (36) months after acceptance as provided in the Article above.

[End of Terms and Conditions]