

GERMAN WATER & ENERGY GROUP

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GWE GmbH

General Conditions of Sales and Delivery

§ 1 Area of applicability

(1) We shall provide our services exclusively on the basis of the following terms and conditions to which our customer agree when placing an order. They shall apply to all current and future business relationships between the contracting parties, even if they have not been expressly re-agreed.

(2) Any deviating, contrary, or additional terms and conditions of business of the customer shall not form part of this agreement, even if we are aware of them, unless we explicitly approve their applicability.

§ 2 Conclusion of the Agreement, Duty to perform, Delivery Times

(1) Our offers are non-binding. We reserve the right to implement technical modifications and modifications to the shape, color and/or weight within a reasonable scope for the customer.

(2) By ordering goods, the customer issues a binding declaration of intent to purchase the goods. We may accept the contractual offer contained in the order within four weeks from the order date.

(3) The acceptance, scope, and performance of the delivery shall be exclusively subject to the agreements made in writing or per fax or the approved agreements. Agreements and collateral agreements made over the phone or verbally shall be confirmed in writing by both parties to become effective.

(4) The provisions of Article 312e Paragraph 1 Sentence 1 No. 1-3 and Sentence 2 of the German Civil Code (Bürgerliches Gesetzbuch – BGB) shall apply to all customers that are companies.

(5) The agreement shall be concluded subject to our suppliers delivering the goods to us in a correct, complete, and timely manner. This shall only apply if missing, incorrect and/or delayed deliveries are outside of the scope of our control and we have concluded congruent hedging transaction with our supplier.

(6) The customer shall be notified immediately of the non-availability of the service. Any compensation paid by the customer shall be reimbursed immediately.

(7) Should we or our suppliers experience problems caused by force majeure, we shall be relieved from our duty to supply for the duration of the problem. Agreed delivery times shall be extended within an appropriate scope. Force majeure includes, in particular, war, any legal strikes and lockouts at our upstream suppliers or our own company, internal unrest, terrorist attacks, and natural disasters.

(8) Should we experience illegal industrial action (particularly strikes and lockouts), we shall not be liable insofar as we are only guilty of slight negligence.

(9) If the problem described in No. 6 of this provision is of a permanent nature, we may withdraw from the agreement, unless it was already discernible upon conclusion of the agreement. In such case, we shall notify the customer and reimburse any compensation paid immediately as stated in Section 5 Sentence 3 of this provision.

(10) We may perform partial deliveries, which shall be invoiced immediately.

(11) If only the type is specified for the service to be provided by us, we shall only be obliged to deliver from our own production. If we are not obliged to deliver according to this, we shall notify the customer and reimburse any compensation paid immediately as stated in Section 6 of this provision.

(12) The seller shall notify the buyer of the fact that the supplies and services provided under this agreement may be restricted or prohibited in accordance with statutory or non-statutory national or international legal provisions, rulings by authorities or the courts, including UN resolutions, embargos, customs rules, EU/US or government sanction lists, or any regulations regarding the control of exports, transfers, trade, or transit of dual-use goods (hereinafter collectively called "export law"). The "Export control fact sheet" published at http://www.bauer.de/pdf/agb/exportkontrollemerkleblatt_de.pdf, forms part of the agreement and shall be accepted and complied with unreservedly by the buyer. The buyer shall oblige its employees, subcontractors, and sales representatives to comply with export law.

Any supply/service delays caused by export control law shall delay the agreed delivery date by the duration of such delay plus the time required for recommencing the performance of the agreement. If the buyer is guilty of violating export law, the buyer shall agree to compensate the seller for any damage caused and relieve the seller from any compensation claims and expenses arising of such actions.

§ 3 Retention of Title

(1) In the case of agreements with consumers, we reserve the right to retain the title of goods until full payment of the purchase price. In the case of agreements with companies, we reserve the right to retain the title of the goods until the full settlement of all receivables from the ongoing business relationship, regardless of the legal cause (goods subject to retention of title).

(2) Goods subject to retention of title are processed for us, the manufacturer, within the meaning of Article 950 BGB without this resulting in an obligation on our part. Processed goods shall be classed as goods subject to retention of title. When assembling and mixing goods subject to retention of title with other goods, we shall have partial pro-rata ownership in the newly created items or goods inventories, based on the ratio between the invoice value of the goods subject to retention of title and the invoice value of the other goods. Should our ownership expire due to the assembly or mixing of goods, the customer shall transfer its ownership in the new items or new goods inventories to us in advance at this point in time to the extent of the invoice value of the goods subject to retention of title. The customer shall store new property for us free of charge.

(3) The customer shall take care when handling the goods. The customer shall regularly perform any necessary maintenance and inspection work at its own cost.

(4) The customer shall notify us immediately about any third-party access to the goods (e.g. seizure of goods) and any damage to or destruction of the goods. The customer shall also notify us immediately of any change of ownership of the goods and change of the customer's own headquarters.

(5) In the case of the customer violating this agreement, particularly in the case of payment arrears or a violation of an obligation in accordance with Sections 3 and 4 of this provision, we may withdraw from the agreement and demand the release of the goods.

(6) If we demand the release of the goods in accordance with Section 5 of this provision, the customer shall release the goods immediately upon first demand, if it is a company.

(7) The customer may, revocably, sell the goods in a proper business transaction. The sale of goods also includes the performance of a contract for work and services or a contract for work and materials or the installation on land or in systems related to land by the customer.

(8) In advance at this point in time, the customer shall transfer to us all receivables in the amount of the invoiced amount due to the customer through the sale of the goods to third parties. We shall accept such transfer. After the transfer, the customer may collect the receivables in its own name and account. We reserve the right to collect the receivables ourselves if the customer fails to make proper payment and is in arrears.

(9) By our request, the customer shall notify any third parties of the transfer of the partial property and/or the transfer of the receivable and forward to us the full documentation required for enforcing the receivable.

(10) If payment is made by bill of exchange or check, our receivable shall be deemed to have been settled with regard to our retention of title once the bill of exchange or check has been cashed.

(11) If the goods subject to retention of title are sold together with other goods, the transfer of the receivable from the sale of goods shall only apply in the amount of our invoice value for the goods subject to retention of title. The transfer shall only apply in the amount of the partial ownership when selling goods in which we have partial ownership.

(12) The customer shall in advance at this point in time transfer to us any claims against third parties, particularly insurance companies, arising from damage, reduction, loss, or wreckage of the goods subject to retention of title, or other reasons in favor of the customer, including all ancillary rights, in the amount of our receivable. We shall accept such transfer.

(13) We shall agree to release the securities due to us up to an amount not exceeding the secured receivables by 20%, if such receivables have not yet been settled.

§ 4 Compensation, Payment Arrears, Settlement

(1) All prices for companies shall be net amounts and do not include statutory sales tax as applicable on the delivery date.

For Coface Factoring customers only:

(1a) All prices for companies shall be net amounts and do not include statutory sales tax as applicable on the delivery date. All payments shall be made exclusively and with a discharging effect to the account at Allgemeine Kredit Coface Finanz GmbH, Isaac-Fulda-Allee 7, 55124 Mainz, Germany, to which we have transferred our current and future claims arising from our business relationships. We have also transferred our retention of title to this bank.

(2) We may adjust the prices for companies to match changes in material cost factors (particularly wages, materials, energy, costs incurred due to statutory requirements).

(3) All prices apply ex warehouse and include ancillary costs, particularly freight, packaging, and insurance. We shall invoice packaging at cost price.

(4) Freight fees shall only be calculated on the basis of freight fee lists.

(5) The customer shall pay the full purchase price within 30 days of receipt of goods. The customer is deemed to be in arrears if payment has not been received within this period.

(6) The customer shall receive a 2% discount if payment is made within eight days of receipt of goods.

(7) The day on which we have access to payments shall be deemed to be the day on which payment has been received for all types of payment.

For Coface Factoring Customers only:

(7a) The day on which Coface Finanz GmbH (see Section 4 Paragraph 1) has access to payments shall be deemed to be the day on which payment has been received for all types of payment.

(8) Should the customer fail, for whatever reason, to accept deliveries reported ready for dispatch or call orders immediately after receiving notification thereof, the date the customer receives the notification of goods ready for dispatch shall be deemed to be the delivery date and due date for invoicing and payment deadlines.

(9) All existing receivables shall fall due immediately if the buyer is in arrears for any payment obligations to us. A company shall incur interest of 8% above base rate for any money owed during the period of arrears. This shall not exclude any claims for further damages.

(10) Customers that are companies may only settle, or enforce a retention of title or rights arising from Article 438 Paragraph 4 Sentences 2 and 5 BGB if their counterclaims have been approved by the courts or are undisputed.

§ 5 Assignment Clause

(1) We may assign the claims arising from our business relationships.

§ 6 Securities

(1) Should we become aware of justified reasons to assume that the customer's asset situation is worse than originally expected after we have sent the order confirmation, we may demand securities, regardless of the payment conditions specified in the order confirmation.

§ 7 Risk Transfer, Sale by Delivery

(1) The risk of accidental destruction and deterioration of the goods is transferred to the buyer upon transfer if the customer is a company, and upon delivery of the goods to the carrier, hauler, or other person or institution appointed to perform the dispatch in the case of the goods being sold by dispatch. The same applies to free deliveries.

(2) The transfer shall take place even if the customer delays the acceptance of the goods.

§ 8 Delay

In case we - due to our sole fault - fail to provide the Supplies and Services within the time agreed, Customer may claim, after a grace period of 2 weeks, as liquidated damages and not as a penalty 0.3% of the net Contract Price of the delayed Supplies and Services for each complete week of delay. The maximum amount of liquidated damages to be paid shall be limited to 5 % of the total net Contract Price. Once the maximum of 5 % of the net Contract Price is reached, the Customer may consider termination of the contract to the extent the goods are not yet supplied. All further claims due to delay, especially claims due to consequential damages such as but not limited loss of production, loss of profit, loss of revenues, costs for interest shall be excluded, unless we fraudulently concealed the delay, guaranteed the delivery time or caused the delay with willful misconduct or gross negligence.

§ 9 Warranty

(1) The occurrence of any defects shall be assessed in accordance with Article 434 Paragraph 1 Sentence 1 BGB. We shall not be liable for any defects or damage caused by improper installation, operation, or maintenance of our products. The same shall apply to defects or damage caused by our products being used in conjunction with other technical equipment not complying with the quality standards commonly applicable in Germany.

(2) If the customer is a company, public statements, praise or advertising statements issued by us or the manufacturer shall not constitute a contractual statement regarding the quality of the goods.

(3) If the customer is a company, it shall notify us in writing of any defects within a period of eight days, and immediately of any obvious defects, upon receipt of the goods, or else the goods shall be deemed to have been approved and any enforcement of warranty claims excluded.

(4) Timely dispatch shall be sufficient to ensure compliance with the deadline for reporting defects in accordance with Paragraph 1. The company shall carry the full burden of proof for all compensation claims, particularly with regard to the existence of a defect, the time the defect was detected and the timeliness of the defect report.

(5) If the customer is a company, we shall, at our discretion, provide warranty services by either performing subsequent repair work or delivering a replacement part (subsequent fulfillment).

(6) If we provide warranty services in the form of subsequent repairs, we shall be entitled to three attempts.

(7) Should the subsequent repair fail, the customer may generally demand a reduction of compensation (discount) or rescission of the agreement (withdrawal). However, in the case of only an immaterial violation of the agreement, particularly in the case of only immaterial defects, the customer shall not have the right to withdraw from the agreement.

(8) Insofar as we are obliged to perform subsequent repairs, we shall carry the costs within the meaning of Article 439 Paragraph 2 BGB up to a maximum of the order value.

(9) Should the customer decide to withdraw from the agreement due to a legal or physical defect following the failed attempts at subsequent repair, it may not claim any additional damages on the grounds of the defect.

(10) In accordance with Articles 438 Paragraph 1 No. 2 and 634a Paragraph 1 No. 2 BGB, the statute of limitation for compensation claims for defects is one year from receipt of the goods. This shall not apply in the case of fraud or gross negligence on our part. It also shall not apply to customer claims on the grounds of loss of life or bodily harm. This shall not affect the obligation to report defects in a timely manner as stated in Paragraph 1 of this provision.

(11) In all other cases, the statute of limitation for compensation claims for defects shall be one year from receipt of goods. This shall not apply in the case of fraud or gross negligence on our part. It also shall not apply to customer claims on the grounds of loss of life or bodily harm. This shall not affect the obligation to report defects in a timely manner as stated in Paragraph 1 of this provision.

(12) Should the customer receive incorrect assembly instructions, we shall only be obliged to supply correct assembly instructions and only if the error in the assembly instructions would prevent proper assembly.

(13) We shall not issue the customer with guarantees in the legal sense.

§ 10 Limitation of Liability

(1) Except as otherwise provided under these GTSD, including the provisions following, our liability is governed by applicable statutory law with regard to breach of contractual and non-contractual obligations.

(2) We shall not be liable for damages except with regard to warranted characteristics and for maliciously concealed defects. Exclusion of liability shall not apply (i) to damage claims of any kind for gross negligence or willful intent on our part or our statutory company representatives or vicarious agents in breach of obligations, (ii) to claims for damages under the Product Liability Act, (iii) in cases of negligence resulting in loss of life or bodily injury/harm or (iv) in cases of significant negligent breach of material contractual obligations (obligations the fulfillment of which makes the proper contract execution possible in the first place and on which the Customer may regularly and does rely). In case of breach of such material contractual obligations, our liability is limited however to the amount of damages foreseeable at the time of contract conclusion as typical for that type of contract.

(3) We shall not be liable for indirect damages or consequential damages such as loss of production, loss of profit, loss of image or loss of sales, provided that such consequential damage was not caused by intent or gross negligence on our part.

(4) Insofar as our liability to the Customer for damages is excluded or limited, this shall apply as well to the liability of our board members, officers, employees, representatives and vicarious agents and to the personal liability of these parties for damages.

(5) The Customer shall indemnify us, our board members, officers, employees, representatives and vicarious agents for and from any losses, costs, damage claims, expenditures, liability and other claims for personal injury or property damage caused by willful

intent, negligence, breach of due diligence obligations, non-compliance with safety regulations, inadequate maintenance of the contractual delivery items or improper use or misuse of the contractual delivery items by or on the part of the Customer. The Customer is also liable for the Customer's board members, officers, employees, representatives and vicarious agents.

(6) Our liability for damages and claims of any kind except for loss of life or bodily injury/harm, shall be limited in total to the amount of the value of the respective order contract.

not apply to customer claims on the grounds of loss of life or bodily harm.

§ 11 Returns

(1) Customers may return goods upon our approval at their own cost and in excellent condition. We shall accept returned storage materials less a minimum processing fee of 15%. Installation tools returned in excellent condition at the cost of the customer shall be credited at 80%. Custom-built items cannot be returned.

§ 12 Final Provision

(1) This agreement is governed exclusively by German law, particularly the German Civil Code (Bürgerliches Gesetzbuch – BGB) and German Commercial Code (Handelsgesetzbuch – HGB) under exclusion of the UN Convention on Contracts for the International Sale of Goods. The place of jurisdiction is the location of the headquarters of our company.

For Coface Factoring Customers only:

(1a) This agreement is governed exclusively by German law, particularly the German Civil Code (Bürgerliches Gesetzbuch – BGB) and German Commercial Code (Handelsgesetzbuch – HGB) under exclusion of the UN Convention on Contracts for the International Sale of Goods. The place of jurisdiction is either the location of our headquarters or Mainz, Germany, at our discretion.

(2) Amendments or addendums to the agreement concluded between us and the customer shall be placed in writing, with transmission via fax being sufficient. This shall also apply to any waiver of this written form requirement.

(3) If the customer is a business person, legal entity under public law or a special trust under public law, the place of fulfillment and exclusive place of jurisdiction for legal disputes arising from this agreement is the location of our headquarters. The same applies if customers do not have a general place of jurisdiction in Germany or their permanent or ordinary place of residence is unknown at the time proceedings are brought before the court.

(4) Should individual provisions of this agreement with the customer, including these general terms and conditions of business, be or become invalid in full or part thereof, this shall not affect the validity of the remaining provisions. The ineffective regulation shall be replaced with a provision that comes closest in meaning to the economic purpose in a legally valid form. The same shall apply to any omissions found in the agreement.