

WASHTEC CLEANING TECHNOLOGY GMBH
GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY
2006

1. Scope

Sales and deliveries of WashTec Cleaning Technology GmbH ("WashTec") shall be made exclusively in accordance with the following General Terms and Conditions of Sale and Delivery ("Terms of Delivery"), which shall be accepted by the customer by the placing of an order or the receipt of delivery. They shall also apply to all future transactions of WashTec with the customer. The application of the customer's conflicting or supplementary terms and conditions shall be excluded, even if such terms and conditions are not expressly objected to by WashTec. Individual agreements and agreements within distributor agreements supersede these General terms and conditions.

2. Conclusion of Contract

2.1 Offers of WashTec shall be non-binding. A contract shall not become effective until it has been confirmed by WashTec in a written confirmation of order and shall be governed exclusively by the written contract and these Terms of Delivery. Oral agreements or promises are only valid if they have been confirmed by WashTec in writing.

2.2 WashTec retains all rights in the sales documentation (in particular pictures, drawings, data on size and weight) and the samples. These items must not be made available to third parties and must be returned to WashTec without undue delay on demand.

3. Delivery Periods and Deadlines

3.1 Delivery deadlines and delivery periods are only binding if they have been confirmed by WashTec in writing, if the customer has provided WashTec in a timely manner with all information or documentation required for the performance of such delivery and if the customer has paid any advance payments in the manner and amount agreed by the parties.

Delivery periods agreed by the parties shall begin on the date of the confirmation of the respective order. In the event of additional or supplementary contracts, the delivery periods shall be extended accordingly.

3.2 Events which are unforeseeable, unavoidable and lie beyond the sphere of influence of WashTec and for which WashTec is not responsible, such as Acts of God, war and natural disasters, shall release WashTec for their duration from its obligation to make timely delivery or perform timely. Periods agreed upon by the parties shall be extended by the length of such disturbance, and the customer shall be informed of the occurrence of such disturbance in a reasonable manner. If the end of such disturbance is not foreseeable, or should it continue for more than two months, each party is entitled to rescind the contract.

3.3 With regard to products not produced by WashTec itself, the correct and timely self-supply shall be reserved.

3.4 If deliveries by WashTec are delayed, the customer shall only be entitled to rescind the contract if WashTec is responsible for the delay and after expiry of a reasonable grace period set by the customer.

3.5 Should the customer be in default of the acceptance of delivery or should it be in breach of any other obligations to cooperate with WashTec, WashTec shall be entitled to reasonably store the deliverables at the customer's risk and expense, without prejudice to its other rights.

3.6 WashTec may make partial delivery for good reason.

4. Shipment, Passage of Risk, Insurance

4.1 In the absence of any other instruction by the customer, shipment shall be made using a reasonable method of shipment in the usual manner of packaging.

4.2 The risk shall pass to the customer ex works. Should the delivery or shipment be delayed on grounds for which the customer is responsible, the risk shall pass to the customer on the date on

which the customer is notified that the deliverables are ready for shipment.

4.3 Insurance shall be taken out only upon request and at the expense of customer.

5. Prices, Terms of Payment

5.1 Unless the parties have agreed on a certain price, the price shall be determined by the price list of WashTec as applicable at the date of the conclusion of the contract.

5.2 All prices of WashTec shall be ex works exclusive of statutory VAT in the respective applicable amount and do not include any shipment and packaging costs, which will be charged separately. The customer shall bear any public charges such as possible customs duties, which may arise in connection with the import of the deliverables in the country of destination.

5.3 Each invoice of WashTec shall be due for payment without any deductions within 30 calendar days of the date of invoice / 30 calendar days of the date of receipt of the invoice by the customer. The customer shall be in default of payment if this period lapses unsuccessfully. Payments by the customer shall not be deemed to have been made until WashTec has received such payment and can exercise control over the funds.

5.4 In the event that the customer is in default of payment, WashTec shall be entitled to demand default interest in the applicable statutory amount. The assertion of a claim for further damages due to the default of payment shall remain unaffected.

5.5 Bills of exchange and checks shall only be taken on account of performance upon special arrangement and without any bank charges or other costs for WashTec.

5.6 The customer is only entitled to a set-off if its counterclaim is uncontested or has been finally adjudicated.

5.7 The customer is only entitled to assert a right of retention to the extent that its counterclaim is based on the same contract and is uncontested or has been finally adjudicated.

5.8 If WashTec becomes aware of the customer's prospective impossibility to perform (mangelnde Leistungsfähigkeit) after the conclusion of the contract, WashTec shall only be entitled to make any outstanding deliveries against prepayment or the provision of adequate security. If such prepayments or security have not been rendered even after the expiration of a reasonable grace period set by WashTec, WashTec may – notwithstanding any further rights – partially or totally rescind individual or all contracts with the customer. WashTec shall be entitled to assert any further rights it may have.

6. Retention of Title

6.1 The delivered products shall remain the property of WashTec until any and all claims of WashTec arising under its business relationship with the customer have been fully paid.

6.2 In the case of current accounts, this retention of title shall be deemed to be security of the claim for the balance to which WashTec is entitled.

6.3 The customer is not entitled to pledge the Secured Products, transfer them by way of security or make other dispositions endangering WashTec's title to them. The customer hereby assigns its claim under the resale of the products to WashTec, and WashTec hereby accepts such assignment.

6.4 The customer shall provide WashTec at all times with all desired information concerning the Secured Products or claims assigned to WashTec under this contract. Attachments of or claims by third parties to the Secured Products shall be immediately reported to WashTec by the customer and accompanied by the necessary documents. The customer shall at the same time advise the third party of WashTec's retention of title.

The costs of a defense against attachments and claims shall be borne by the customer.

6.5 The customer is obliged to treat the Secured Products with care for the duration of the retention of title.

6.6 Should the realizable value of the securities exceed all of WashTec's claims secured by the Secured Products by more than 10 %, the customer shall be entitled to demand a release to such extent.

6.7 Should the customer be in default of material obligations such as payments to WashTec, WashTec may, notwithstanding any other rights, take back the Secured Products and, after rescission of the contract, otherwise realize on them for the purpose of satisfying its matured claims against the customer without prejudice to any other rights it may have. In such case, the customer shall grant WashTec or WashTec's agents immediate access to the Secured Products and surrender the same. If WashTec demands surrender according to this provision, this alone shall not constitute rescission of the contract.

6.8 In the case of deliveries to other jurisdictions in which the foregoing provisions governing the retention of title do not have the same security effect as in Germany, the customer shall do everything to create equivalent security rights for WashTec without undue delay. The customer shall cooperate in all measures such as registration, publication, etc. which are necessary and beneficial to the validity and enforceability of such security rights.

6.9 On WashTec's demand, the customer is obliged to insure the Secured Products appropriately, to provide WashTec with the respective proof of such insurance and to assign the claims arising from such insurance to WashTec.

7. Characteristics, Warranties, Duty to Inspect the Products

7.1 Upon passing of the risk the delivered products shall be of the agreed quality. The quality will exclusively be determined by the specific written agreements concerning the characteristics, features and specifications of the deliverables (Beschaffenheitsvereinbarung).

7.2 Information provided in sales catalogues, price lists and any other informative literature provided by WashTec or any other descriptions of the deliverables shall under no circumstances constitute a guarantee for any specific quality of the deliverables; such specific quality guarantee must exclusively be made in writing.

7.3 WashTec reserves its right to change the deliverables slightly with regard to its construction, material and/or its finish to the extent its agreed characteristics are not changed thereby.

7.4 With respect to customer's warranty rights the individual agreement and/or warranty agreements within the distributor agreements supersede this general terms and conditions.

7.5 The customer's warranty rights shall require that it inspects the delivered products upon delivery without undue delay and notifies WashTec thereof in writing no later than two weeks following delivery; hidden defects must be notified to WashTec in writing without undue delay upon their discovery.

7.6 In the event of any notification of a defect, WashTec shall have the right to inspect and test the products to which objection was made. The customer will grant WashTec the required period of time and opportunity to exercise such right. WashTec may also demand from the customer that it returns the product to which objection was made to WashTec at WashTec's expense.

7.7 If the delivered product contains a defect subject to warranty obligation, WashTec shall be entitled to remove the defect at its option by remedying the defect or delivery of a replacement ("Substitute Performance"), both free of charge to the customer.

7.8 The customer shall give WashTec the necessary reasonable period of time and opportunity for Substitute Performance. The customer shall only have the right to remove the defect by itself or have the defect removed by a third party and demand compensation of its necessary expenses from WashTec in instances of emergency in which the safety of operations is endangered, in order to avert a disproportionately great damage or if WashTec is in default concerning removing the defect; always provided that the customer notified WashTec thereof beforehand.

7.9 Items that have been replaced by WashTec shall, upon WashTec's demand, be returned to WashTec.

7.10 WashTec shall not assume any warranty for damages caused by inappropriate or improper use (in particular for damages caused by the non-observance of the operations instructions), incorrect start-up of operation, faulty treatment, incorrect installation by the customer, unsuitable accessories, unsuitable spare parts, inappropriate repair works or by natural wear and tear; always provided that WashTec is not responsible for such damages.

7.11 WashTec shall bear the costs for shipment, travel, labor and material which accrue for the purpose of Substitute Performance.

7.12 Should a defect not be removed or a replacement product not be delivered within a reasonable time period set by the customer or should Substitute Performance fail, should such remedy be unreasonable for the customer or should WashTec refuse such remedy according to section 439 subsec. 3 BGB, the customer may demand, at its option, (i) the rescission of the contract or a reasonable reduction of the purchase price and (ii) damages pursuant to Clause 8 (below) or the reimbursement of its futile expenses.

7.13 The statute of limitations for claims for defects shall be twelve months from the hand-over of the deliverables to the customer. For claims for damages due to other reasons than defects of the delivered products or for rights of the customer with respect to defects concealed in bad faith or defects caused intentionally, the statutory statute of limitations shall apply.

8. Limitation of Liability

8.1 Subject to the provisions in Clause 8.2 of these Delivery Terms WashTec's statutory liability for damages shall be limited as follows:

(i) WashTec shall only be liable for damages caused by a slightly negligent breach of a material contractual obligation up to the amount of the typically foreseeable damage at the time of entering into the contract;

(ii) WashTec shall not be liable for damages caused by a slightly negligent breach of a non-material contractual obligation.

8.2 The limitation of liability as set out above does not apply to any mandatory statutory liability (in particular to liability under the German Product Liability Act) or to any liability for a specific guarantee assumed by WashTec nor to any liability for culpably caused personal injuries.

8.3 The customer shall take all reasonable measures necessary to avert and reduce damages.

9. Miscellaneous

9.1 Amendments of and supplements to this contract and/or these Terms of Delivery and any side agreements must be in writing in order to become effective. The same shall apply to the waiver of or any amendment to this written form requirement.

9.2 The laws of the Federal Republic of Germany shall apply exclusively with the exception of the UN Convention on Contracts for the International Sale of Goods (CISG).

9.3 Exclusive venue for all disputes arising under the contractual relationship shall be Augsburg.

WashTec is entitled, however, to sue the customer at any other court having statutory jurisdiction.

9.4 The parties are aware of the risk that individual or multiple provisions of the contract or of these Terms of Delivery may turn out to be invalid or null and void contrary to the parties' current understanding. But even if this happens to be the case, the parties want to eliminate any doubts regarding the validity of the remainder of the contract and/or these Terms of Delivery, which shall in any event remain valid and enforceable. In such case, the parties undertake to replace the invalid provision by a valid provision coming closest to the commercial purpose of the invalid provision.