

General terms of business STEBATEC group

Preamble:

The general terms of business apply to all business relations with:

- Stebatec AG/Switzerland and
- Stebatec GmbH/Germany and
- Scheidegger Fernsteuerungen AG/Switzerland

The following terms apply - to the exclusion of any other terms - to all supplies and services, present or future (hereinafter for brevity's sake referred to as "supplies") unless agreed otherwise in writing. Customer's terms of business apply only if we have agreed to them in writing.

1. OFFERS

Our offers are without engagement. A contract is only concluded when we have confirmed the order in writing or delivered the goods. Our employees are not authorized to make oral arrangements or give any promise that would be beyond what has been agreed in the contract or would change these General Terms of Supply and Service to our disadvantage. Technical specifications, illustrations, drawings, weights and measures forming part of the offer are only binding if confirmed in writing. Design changes are reserved. The customer is responsible to ensure that our goods fit his purpose and that the use of our equipment does not cause damage locally. In particular, the customer is responsible that the backwater which our equipment causes in the sewer cannot cause damage.

2. DELIVERY PERIOD

The delivery period starts with the posting of the order confirmation but not earlier than after settlement of all details of the contract performance and receipt by us of all documents and approvals to be provided by the customer as well as the agreed advance payment. The delivery period is deemed met when the goods have been provided at the agreed destination or the information that the goods are ready for shipment has been given by the end of the delivery period. When the customer requires changes to be made, the delivery period extends reasonably until we have checked the feasibility of the changes and by the period required for implementing the requested changes in production. When delivery is delayed in case, we, our legal representative or vicarious agents have acted with simple negligence, our liability is limited to maximum 0.5% of the order value for every completed week of delay subject to maximum 5% of the order value the delivery of which is delayed. Claims to damage in lieu of performance according to clause 11 are not affected.

3. FORCE MAJEURE

Unforeseen, unavoidable events for which we are not responsible (e.g., in particular acts of God, Strikes, lockouts, disruption of operations, difficulties in obtaining materials or energy, delay in transportation, actions by authorities and difficulties in obtaining approvals, particularly import or export licenses) extend the delivery period for the duration of the disruption and its consequences. This also applies when the obstacles impair the operations of our suppliers or occur during a state of delay. If the obstruction is of more than only transitory nature, we can withdraw from the contract. If and to the extent to which the customer cannot be expected to accept the goods due to the delay, he can withdraw from the contract by written declaration to us. Claims to damage are excluded in the cases of the preceding paragraph.

4. PARTIAL DELIVERY

We are entitled to make reasonable partial deliveries.

5. SHIPMENT AND PASSING OF RISK

For shipping the goods, we choose what, at our discretion, is the safest and most cost-effective solution. The risk passes to the customer as soon as we have handed over the goods to the carrier or, if the shipment is delayed for reasons for which we are not responsible, as soon as we have informed the customer that the goods are ready for shipment, even if we have accepted other services, for example, the shipping cost or the delivery and installation of the goods, including by our own transport personnel. If the shipment is delayed for reasons for which we are not responsible we will warehouse the goods at the customer's expenses; for warehousing the goods in our works, we charge at least 0.5% of the invoice amount of the warehoused goods per month. We can withdraw from the contract or claim damages in lieu of performance at the end of a grace period within which a default has not been remedied by the customer. In that case, the customer bears the cost and risk out of or in connection with the failure to issue instructions and attend to necessary formalities for which he is responsible in time.

6. PRICES

All prices are to be understood ex our respective delivery warehouse, exclusive of freight, insurance, customs duties and value-added tax at the applicable rate. Reasonable price increases can be made when the prices of materials and labour on which the calculation was based have increased substantially since the order was accepted.

7. PAYMENTS

Payments shall be made within 30 days of the invoice date without any deduction free our point of payment. Payments are deemed made if and when we can dispose freely of the amount in a bank. Checks and bills of exchange are only accepted for payment; discounts and charges are to the customer's account and are payable immediately. If payment is delayed, we charge - without reminder - interest on maturity at the rate of 8 percentage points above the discount rate of the Swiss National Bank but at least 10%. If there is reasonable doubt as to the solvency of the

customer such as, for example, by slow payment, payment delay, check or bill of exchange protest, we can demand securities or cash payment *pari passu* with the performance. If the customer fails to comply with this request within a reasonable period of time, we can cancel any part of the supply contract that has not been fulfilled. A time limit need not be set if the customer is obviously not in a position to provide security, for example, when an application for the opening of insolvency proceedings into the assets of the customer has been made. The customer is not permitted to set off any amounts against our claims except amounts which are not in dispute or have been recognized by declaratory judgment. The customer is not entitled to withhold payment of or pay less than the invoice amount in case of disputed complaints.

8. RETENTION OF TITLE

The goods remain our property in their entirety until payment as agreed in the contract has been made in full. The customer agrees that we can enter or reserve the title to the goods as permitted by the applicable regulations and undertakes to cooperate in completing the necessary formalities. The customer also undertakes to maintain the delivered goods in a state of good repair for the period of the retention of title and to insure the goods appropriately in our favour.

9. RIGHTS TO DOCUMENTS, SECRECY

Ownership and intellectual property rights to our drawings and other documents are ours in any case. They must not be disclosed to any third party.

10. LIABILITY FOR DEFECTS

Defects in the delivered goods shall be notified to us in writing without delay, in any case not later than 8 days after receipt of the goods, covert defects immediately after discovery. All rights and claims under the liability for defects lapse when these time limits are exceeded. The period of limitation is 12 months after delivery of the goods. In case of justified complaints, we will repair or replace the goods at our option. If this is not completed within a reasonable period of time or if the repair fails, the customer can, at the fruitless expiry of a grace period, demand a reduction of the purchase price or – if the defect is more than minor – withdraw from the contract and claim damage in lieu of performance according to clause 11. Any cost of the supplementary performance caused when the purchased goods, after delivery, are taken to a place other than the commercial place of business of the customer will not be accepted. Violations of rights held by third parties constitute a defect only when these rights are enforceable in Switzerland.

11. GENERAL LIABILITY

Claims for damage - of whatever nature - on us are excluded when we, our legal representative or vicarious agents have acted with slight negligence. This exclusion of liability does not apply in cases of bodily injury, the acceptance of a contractual warranty, the violation of a cardinal contractual obligation that would jeopardize the fulfilment of the object of the contract. However, our liability is limited to the scope of

the warranty or, in cases of the violation of a cardinal contractual obligation, to the damage foreseeable and typical for the contract. Claims under the product liability act are not affected. We are not liable for purely financial loss. With the exception of claims for defect, claims under the product liability act and claims for loss of life, bodily injury or damage to the health of a person, claims for damage become time-barred one year after the customer has become aware of the damage and the obligation to pay compensation for it or could have become aware of it without gross negligence. If the customer cancels the contract without cause or if he fails to fulfil the contract, we can demand 25% of the order amount as compensation. Both parties are free to demonstrate that the damage actually suffered by them is different.

12. TRANSPORT PACKAGING AND OLD EQUIPMENT

These will be accepted back by us at the customer's expense unless the customer waives back-acceptance. Transport packaging and old equipment must be returned clean, free of foreign material and sorted by type. Otherwise, the accruing extra cost are to the customer's account.

13. PLACE OF PERFORMANCE, GOVERNING LAW, LEGAL VENUE

The place of performance for all supplies under supply contracts is our appropriate delivery warehouse; the place of performance for payments is our place of business.

All business relations with Stebatec AG and Scheidegger Fernsteuerungen AG are subject to Swiss law; the business relations with Stebatec GmbH are subject to German law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

The legal venue for all disputes out of or in connection with underlying contracts with Stebatec AG and Scheidegger Fernsteuerungen AG is Berne; the legal venue for contracts with Stebatec GmbH is the District Court of Stuttgart. We can also sue at the customer's place of business.

If any provision or part of a provision of these terms of delivery should be ineffective, the other provisions will not be affected.