

Standard Terms and Conditions of Business, EnviroFALK GmbH
General Terms and Conditions of Supply 01.01.2010

I. Scope of Terms and Conditions

1. Supplies, services and offers provided by EnviroFALK GmbH are subject solely to these terms and conditions of business. These terms and conditions shall be deemed to have been accepted at the latest when the Customer takes receipt of the goods or services. The terms and conditions of supply also apply to future business relations between EnviroFALK GmbH and the Customer even if this is not expressly agreed for subsequent business. EnviroFALK GmbH does not accept any terms and conditions of business or purchase of the Customer which conflict or are at variance with its own. Further, it does not accept terms and conditions of purchase of the Customer which conflict with its own even if they are contained in letter of confirmation from the Customer which follows its own confirmation of the contract and even if it has not expressly stated that it does not accept them.

2. EnviroFALK GmbH employees are not authorised to enter into collateral agreements or to make commitments on its behalf unless they are authorised to represent the EnviroFALK GmbH accordingly by act of law. Oral agreements with authorised EnviroFALK GmbH employees are not valid unless they have been confirmed in writing.

II. Offer, conclusion of contract

1. EnviroFALK GmbH's offers are subject to confirmation and non-binding. Declarations of acceptance and all orders are valid in law only when they have been confirmed in writing by EnviroFALK GmbH. A contract has not been entered into until the order has been confirmed in writing.

2. The content and scope of the contract shall be as set out in EnviroFALK GmbH's written confirmation of order. The documents associated with the order such as illustrations, drawings, sizes and dimensions are only approximate and are not binding unless they are expressly designated as binding.

3. EnviroFALK GmbH reserves the right to make modifications to the design or form during the delivery time owing to technological advances and statutory requirements.

4. The scope of supply and the item to be supplied shall be as set out in our order confirmation and as described in our service and product descriptions in as far as these form part of the contractual agreement.

III. Copyright, modifications

1. EnviroFALK GmbH reserves all title and copyright in illustrations, drawings, calculations and other documents. These may not be reproduced or disclosed to third parties without EnviroFALK GmbH's written consent.

2. EnviroFALK GmbH has the right to make expedient modifications and improvements to the products and services at any time; however, it is under no obligation to do so.

IV. Prices

1. Unless otherwise stated in the order confirmation EnviroFALK GmbH's prices are net ex works. Our prices do not include VAT. VAT will be indicated separately in the invoice at the statutory rate which is applicable on the invoice date.

2. The prices do not include the costs of packaging and shipping or the costs of transport insurance. The above costs will be charged to the Customer separately. Transport insurance will only be taken out at the Customer's express written request.

V. Delivery, change of risk

1. The delivery time begins on the date on which the order confirmation is sent, but not before all documents to be provided by the Customer have been made available or before all technical issues have been clarified. Delivery dates or delivery periods which can be agreed in a binding or non-binding manner must meet written-form requirements.

2. EnviroFALK GmbH shall not be liable for delays in supply and service which are attributable to force majeure or occurrences which make it substantially more difficult or impossible for EnviroFALK GmbH to supply. These include without limitation strike, lock-out, official orders, etc. even if they affect EnviroFALK GmbH's suppliers – even if such delays in supply and service concern binding or non-binding delivery periods and dates.

In such cases EnviroFALK GmbH may postpone the supply or service by the duration of the impediment plus a reasonable starting-up period or may withdraw in whole or in part from the portion of the contract which has not yet been executed. If the impediment lasts for more than three months, the Customer may withdraw from the portion of the contract which has not yet been executed provided that it has first set a reasonable extension to the deadline. If the delivery time is extended or if EnviroFALK GmbH is no longer under an obligation, this shall not entitle the Customer to claim compensation.

3. If the Customer is in default with acceptance EnviroFALK GmbH may – provided that it has previously set a reasonable extension to the deadline – dispose of the

item supplied and supply the customer with a reasonable extension to the deadline or withdraw from the contract. If the Customer is in default with acceptance or if it breaches other duties to cooperate, EnviroFALK GmbH may also demand compensation for any additional expenditure incurred.

4. Risk transfers to the Customer as soon as the shipment is handed over to the person carrying out the transport or as soon as it has left EnviroFALK GmbH's warehouse for the purpose of shipment. If shipment is impossible for reasons for which EnviroFALK GmbH is not responsible, risk passes to the Customer when the Customer is advised that the goods are ready for despatch. This shall apply in particular if shipment is deferred at the Customer's request after the Customer has been advised that the goods are ready for despatch. In that case the risk of accidental loss or accidental damage passes to the Customer. To the extent that claims can be asserted against liable third parties and/or against insurers (insurance policies only at the request and at the cost of the Customer) any claim which the Customer may have against EnviroFALK GmbH is limited to the amount due under the claim assigned.

5. In all other respects the cost and risk of shipment (including any returns) shall be at the cost and risk of the Customer. This shall apply even if the goods are shipped in EnviroFALK's own vehicles.

6. EnviroFALK GmbH may provide the goods and services in instalments.

VI. Reservation of title, transfer of ownership

1. EnviroFALK GmbH reserves title and ownership in the goods supplied as security for all EnviroFALK GmbH's claims under current and future business relations till complete payment of the delivery. Title and ownership also extend to the new products created as a result of the reserved goods being processed. If the reserved goods are processed, combined or mixed with other goods which are not the property of EnviroFALK GmbH, EnviroFALK GmbH will acquire co-ownership in the new item pro rata relative to the invoice value of the reserved goods to the value of the other materials used. EnviroFALK GmbH does not have to declare withdrawal from the contract as soon as the Customer is in default in order to exercise reservation of title.

2. Amounts payable by the Customer's customer which arise through the sale of the goods in which EnviroFALK GmbH still has title or co-ownership shall be deemed to have been assigned by the Customer to EnviroFALK GmbH in advance at the time of the sale. The amount of such advance assignment may not exceed the amount of the EnviroFALK GmbH's claim against the Customer. However, pending revocation by EnviroFALK GmbH the Customer is entitled to collect the amounts due in its own name and to remit them to EnviroFALK GmbH.

3. To the extent that the value of the securities to which EnviroFALK GmbH is entitled exceeds the claims to be secured by more than 10 % such securities shall be released at the Customer's request.

4. If the Customer acts in breach of the contract including but not limited to default on payment, EnviroFALK GmbH may take back the reserved goods or inform the third-party that the claims to release the goods have been assigned and demand that payment be made solely to EnviroFALK GmbH. EnviroFALK GmbH is authorised to realise any such items which it has taken back and the realisation proceeds shall be offset against the Customer's liabilities less any reasonable realisation costs. Repossession of the reserved goods shall not constitute withdrawal from the contract. However, a pledge of the reserved goods by EnviroFALK GmbH shall always constitute withdrawal from the contract.

5. The Customer shall treat the reserved goods with care; in particular it shall insure them sufficiently against fire, water and theft at replacement value at its own cost. The Customer shall have any maintenance and inspection work which may be necessary carried out in good time by EnviroFALK GmbH at its own cost.

6. EnviroFALK GmbH does not consent to the reserved goods being resold in the event that insolvency proceedings are instituted.

7. If before or during supply EnviroFALK GmbH has legitimate doubts as to the Customer's solvency, EnviroFALK GmbH may demand further security over and above its reservation of title to secure future payments and shall be entitled to withhold any further supplies and services until such securities have been provided. If the Customer cannot provide the securities demanded, EnviroFALK GmbH is entitled to withdraw from the Contract.

VII. Terms of payment

1. Unless otherwise agreed, EnviroFALK GmbH's invoices shall be payable without deductions immediately they are issued. Even if the Customer's provisions state otherwise EnviroFALK GmbH may always offset payments against older debts owed by the Customer. If costs and interest have already arisen, EnviroFALK GmbH may offset first against the costs, then against the interest and finally against the principal amount owed.

All payments shall be made to our head office; no charges may be deducted. EnviroFALK GmbH does not accept payment by bill of exchange unless expressly otherwise agreed in writing. -2-

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2. Payment shall not be deemed to have been made until the amount is credited to one of EnviroFALK GmbH's accounts.

3. If the Customer is in default with payment EnviroFALK GmbH may charge interest as of the date concerned as follows:

8 % above the applicable base interest rate of the European Central Bank to companies, and 5 % above the applicable base interest rate of the European Central Bank to consumers.

4. If the Customer fails to meet its payment obligations or if EnviroFALK GmbH becomes aware of other circumstances which cast doubt on the Customer's creditworthiness, EnviroFALK GmbH may demand that the entire balance owed be payable without undue delay. In such an event EnviroFALK GmbH is also entitled to demand that the Customer pay in advance or provide security. If the entire outstanding balance is not paid immediately the Customer will forfeit its right to use the item supplied. EnviroFALK GmbH may either repossess the item supplied without waiving its claims until they have been satisfied or it may withdraw from the contract. The Customer shall bear all the costs of repossessing the item supplied. In the event that EnviroFALK GmbH withdraws from the contract the Customer shall reimburse EnviroFALK GmbH for any loss in value as well as compensation for use of the item supplied.

5. The Customer may only offset counterclaims against claims of EnviroFALK GmbH if the counterclaims are undisputed or have been ruled final and absolute in a court of law.

6. The Customer may only assert rights of retention against claims of EnviroFALK GmbH if the counterclaims are undisputed or have been ruled final and absolute in a court order.

VIII. Warranty

1. If the goods supplied to the Customer were not manufactured by EnviroFALK GmbH itself but bought from other suppliers EnviroFALK GmbH will meet its obligations for subsequent performance by assigning all its own claims against its supplier to the Customer. The Customer accepts this assignment by way of performance. If these are not enforceable or fail, any subsidiary claims for subsequent performance against us shall be subject to the provisions in (2) below.

2. The characteristics of the goods supplied are as set out in the product description or as customary in the trade. Statements regarding characteristics do not constitute a guarantee unless this has been expressly set out in writing. As a general rule EnviroFALK GmbH does not assume any obligations regarding the remedy of defects and subsequent performance over and above those set out herein.

The Customer shall inspect the goods received for defects and for their characteristics without undue delay. Defects shall be formally reported to us in writing within one week of delivery. This has no effect on statutory provisions which go beyond the obligations set out herein. Hidden defects must be formally reported to us in writing within one week after they have been discovered.

In the event that a defect should be detected the Customer shall make the goods in question available to us for inspection without undue delay. Culpable refusal or delay shall cause all claims to be forfeited.

The Customer has a duty to make EnviroFALK GmbH a formal defect report as above even if the Customer is informed of defects in the goods or parts supplied by EnviroFALK GmbH by its own customer.

If the Customer's complaint is legitimate, the Customer is entitled to demand subsequent performance in the form of repair or replacement. EnviroFALK GmbH has the right to refuse the type of subsequent performance selected if this is only possible at disproportionately high cost or if one type of subsequent performance selected is more costly than another and if this does not cause the Customer any material disadvantage by comparison to the other possible subsequent performance. If subsequent performance takes the form of repair our right to repair is limited to two attempts to remedy one specific defect and a total of four attempts to remedy all defects in the item supplied.

If, after the subsequent performance has been completed, the goods have to be moved somewhere other than the original destination, the Customer shall bear any additional costs which arise. The same shall apply if the Customer returns the defective item to us for subsequent performance from somewhere other than its head office/the place of delivery.

The Customer may not assert any warranty claims over and above these unless it has set EnviroFALK GmbH a reasonable deadline for repair or replacement and this deadline has passed without success.

The Customer may not withdraw from the contract if the defect is immaterial. This shall not affect the right to reduce the purchase price.

3. EnviroFALK GmbH is not obliged to render subsequent performance if
a) the defect is attributable to improper use or care or to inadequate maintenance, deficient assembly and commissioning, breach of or failure to comply with our operating and assembly instructions or instructions for use or to the use of force and other external influences (e.g. chemical, electromagnetic, electrical, etc.) outside EnviroFALK GmbH's reasonable control.

b) the defect arose because the item supplied was altered by improper means including without limitation using inappropriate spares including without limitation third-party spares and the loss is attributable to the alteration or the use made.

The warranty does not cover natural wear and tear or damage attributable to neglect or improper use or treatment.

4. The goods must be returned to us along with the original delivery note or a photocopy thereof. Negotiations about complaints do not mean that EnviroFALK GmbH will waive the defence of failure to report a defect properly or in good time.

5. The Customer may only withhold payments and invoke claims for defects to an extent which in good faith is commensurate with the complaint reported, i.e. no more than the portion of the purchase price of the article specifically reported as being defective.

6. If the Customer or a third party remedies defects using improper means, EnviroFALK GmbH will not be liable for the consequences. The same shall apply to any changes made to the item supplied without EnviroFALK GmbH's prior consent.

7. The provisions of Section IX. apply accordingly to claims for compensation.

8. If the scope of supply contains software or other copyright-protected goods and hence associated rights the Customer shall be granted a non-exclusive right to use that software and associated documentation in conjunction with the items supplied.

The Customer may only use and alter the software to the extent permitted by statute and may not remove manufacturer's data without EnviroFALK GmbH's prior written consent.

The Customer may not assign the software or rights therein without EnviroFALK GmbH's prior written consent or transfer the rights therein to third parties such as by way of licence.

9. The warranty period for product defects is one year as of despatch of the goods for business conducted with businesses registered in the commercial register. This shall not apply to the extent that EnviroFALK GmbH has intentionally or fraudulently concealed a known defect, in which case it shall be liable as provided for by statute. The warranty period for wear-and-tear parts is limited to the expected lifetime of such parts taking account of the actual frequency and duration of use.

10. The Customer may not use EnviroFALK GmbH products for advertising purposes unless EnviroFALK GmbH has approved the advertising. If the Customer's customers assert claims for liability for defects on the grounds that the product purchased differs from claims made in the Customer's advertising and such advertising has not been approved by EnviroFALK GmbH the Customer shall not be entitled to assert claims against EnviroFALK GmbH.

IX. Liability

1. EnviroFALK GmbH will only accept liability for losses incurred by the Customer irrespective of their legal basis including without limitation breach of duties under the contract or by reason of tort or under the German Product Liability Act (Produkthaftungsgesetz) if EnviroFALK GmbH has acted with intent or gross negligence unless its liability is for

a) injury to life, the body and health
b) breach of material contractual duties.

2. However, claims for compensation on the grounds of breach of material contractual duties are limited to losses typical of and generally predictable for this type of contract.

3. This also applies to cases of product liability.

4. The liability limitation in sections VIII and IX also apply to liability for incorrect advice, incorrect assembly instructions and other breaches of ancillary duty.

5. Any claims for compensation over and above this are excluded to the extent permitted by statute.

6. Section VIII (9) applies accordingly to the limitation for the above claims.

X. Applicable law, place of jurisdiction, severability

1. These terms and conditions of business and the entire legal relations between EnviroFALK GmbH and the Customer are subject to the law of the Federal Republic of Germany excluding the UN Convention on Contracts for the International Sale of Goods (CISG) even if the Customer's registered office is in a place other than the Federal Republic of Germany.

2. If the Customer is a merchant within the meaning of the German Commercial Code (Handelsgesetzbuch), a legal person under public law or a legal entity under public law, the place of jurisdiction for all direct or indirect disputes arising from the contractual relationship shall be EnviroFALK GmbH's domicile.

3. Unless otherwise stated in the confirmation of order the place of contractual fulfilment shall be EnviroFALK GmbH's domicile.

4. If any provision of these terms and conditions of business or any provision of other agreements is or becomes invalid this shall not affect the validity of all other provisions or agreements.

5. Amendments, additions and collateral agreements to these terms and conditions and to individual contracts are valid only if they comply with written-form requirements. This shall apply even if the written-form requirements are to be waived. There are no oral collateral agreements.