

GENERAL TERMS AND CONDITIONS DER GONTEC e. K.

For the Sale, Delivery and Payment of Products

§ 1 Scope and Validity

1.1 These General Terms and Conditions of Sale, Delivery and Payment apply, exclusively, to all present and future sales and deliveries made by GONTEC (the "Company") to companies, corporate bodies or special public funds, even if no express reference is made to them, provided they have been received by the client when an order is confirmed by the Company. Clients placing orders thereby recognise and accept the validity of these General Terms and Conditions. Any terms or conditions that are inconsistent with or deviate from these General Terms and Conditions, whether specifically agreed or contained in a client's general business terms and conditions, shall not be deemed part of the contract unless they have been expressly agreed with the client in writing.

1.2 The Company offers are without obligation. Only orders confirmed to the client by GONTEC in writing (by letter, voicemail or email) are contractually binding. The Company's confirmation is decisive with regard to the content and scope of the order.

§ 2 Minimum Orders, Prices

2.1 Orders shall be for a minimum net value of € 50.00. Orders below this limit will be subject to a surcharge of € 10 per delivery.

2.2 The Company prices are stated in Euro. Exchange rate risks in connection with payments made in other currencies shall be borne by the client.

2.3 Prices are net prices, plus VAT at the applicable rate, plus any transfer and payment charges, and bank or cheque fees, as well as any customs duties or charges applicable to deliveries abroad.

2.4 Unless otherwise agreed in writing, prices are stated net ex-works(EXW), i.e. without packaging, loading, shipping and insurance.

2.5 If its suppliers increase their prices or if costs increase otherwise, the Company shall be entitled to adjust the sales prices for orders that were scheduled for delivery four months or more after the confirmation of Order.

§ 3 Technical Documentation

3.1 Plans, drafts and other technical documentation as well as any samples, catalogues, brochures, diagrams and the like remain the Company property, and are protected by the relevant legal provisions on copyright and copying, and competition, etc. At the latest upon receipt of such documentation, the client shall be deemed to have acknowledged the Company copyrights and property rights, and his confidentiality obligation. The client undertakes not to divulge such documentation to third parties or to use it for any purpose other than that for which it was given to him without the Company expressed written consent. If no order is placed, the complete documentation shall be returned to the Company; if an order is placed, the documentation must only be returned at the Company request.

3.2 Descriptions, specifications, measurements, plans, sketches and drawings, weights and other performance data contained in brochures or other materials only give an approximate rendering of the Company's products. Such data does not constitute a specification warranty within the meaning of the law (§ 434 of the German Civil Code); moreover, technical changes are reserved. The foregoing applies in all cases except where specifications or characteristics are expressly guaranteed or declared binding. Insignificant variances between the described and actual specifications do not constitute a defect.

§ 4 Delivery, Delays and Passing of the Risk

4.1 The Company shall do its utmost to satisfy orders as quickly as possible; clients will be promptly informed about any delivery delays or hindrances. Delivery dates and delivery periods are without obligation unless a specific delivery date or delivery period is confirmed individually to the client in writing. Delivery periods start running when the client receives the order confirmation.

4.2 Partial deliveries and partial invoices are permitted, unless it is unreasonable for the Client.

4.3 If delivery delays on the part of the Company are caused by circumstances beyond its control, the Company shall be entitled to defer its services for the duration of the hindrance or for a reasonable period of time, or it may withdraw fully or partially from the contract in respect of the outstanding part of the assignment. On no account shall the Company be liable for delays caused by events of force majeure including strikes, lock-outs, public ordinances, extreme weather conditions, traffic disruptions or similar events. If the delay lasts longer than fourteen (14) calendar days, the client shall be entitled to withdraw from the contract after giving the Company a reasonable additional time limit for the outstanding part of the assignment. If, as a result, the performance period is extended or the Company is released from its obligations, the client shall not be entitled to rely on such grounds to claim damages.

4.4 Goods shipped to the client are shipped at the client's own cost and risk. The risk passes to the client when the goods are delivered to the forwarding agent, carrier or other shipper. Unless the client organises the shipping, the Company shall contract marine insurance at its own cost. If the goods cannot be shipped or picked up through no fault of the Company, or for reasons attributable to the client, the Company may store the goods at the client's risk and expense. In that case, the goods shall be deemed to have been delivered and accepted. The agreed payment terms and conditions will not be affected.

4.5 For deliveries abroad, the client alone is responsible for ensuring compliance with the import rules of the country of destination. It is for the client to obtain all requisite licences and authorisations.

4.6 §8 also applies in case of delivery delays and non-delivery.

§ 5 Payment Terms, assignment of receivables

5.1 Deliveries are payable exclusively first in advance. Money orders, cheques and drafts will only be accepted on a case-by-case basis by special agreement and then only in satisfaction of a debt.

5.2 The Client shall be in default upon receipt of a reminder sent after the due date. The sum in arrears shall bear interest at usual bank rates; such interest shall not be less than eight (8) percentage points over the base interest rate. The Client shall pay Euro 15 for each reminder after the start of default, without prejudice to the legal provisions on commencement of default and payment of default interest.

5.3 If the Client is in default of more than one payment obligation, all receivables shall become immediately due and payable.

5.4 A Client may only offset against the Company's claims counter claims, which the Company has recognised or which have been declared legally enforceable. Clients may not claim a right of retention or the right to refuse performance under § 273 and § 320 of the German Civil Code unless the Company is responsible for gross contractual infringement.

5.5 If the Client financial situation deteriorates significantly after the contract is signed, for example as a result of bill protests or debt enforcement, the Company shall be entitled, insofar as the goods have not yet been delivered and without prejudice to any other rights, to set a reasonable time limit for the client to pay the consideration and, if he fails to do so and does not provide adequate security within that time limit, to withdraw from the relevant contracts. If, however, the goods have already been delivered, all claims, which are not yet due, including any claims backed by drafts and checks, shall become immediately due and payable as a result of the intervening default. Moreover, by virtue of the Company retention of title, the goods may be repossessed at the Client expense and without notice at any time, even before the purchase price falls due; such repossession shall not qualify as a withdrawal from the contract.

5.6 The Company may assign its claims.

5.7 The client may not assign claims against the Company without the Company written consent. Such consent may only be withheld for just cause.

5.8 If the delivery or pre-payment/delivery is delayed for more than 60 Days or for reasons for which the customer is responsible, in particular due to the customer's default of acceptance or break of duty by the customer, the customer is penalised with a compensation for the damage caused by delay, order cancellation including additional expenses required in 20% of the order confirmation purchase price. Further claims, in particular with proof of a higher damage caused by us, remain unaffected. A lump-sum compensation paid by the customer shall be deducted in the event of assertion of any further damage.

§ 6 Retention of Title

6.1 Delivered goods remain the Company property until the full and final settlement of all existing and future claims against the client deriving from the overall business relationship, including the balance of any current account claims, irrespective of the legal basis for such claims.

6.2 The reserved goods may only be sold and processed in the normal course of business and provided the client is not in arrears with his payment obligations towards the Company. Reserved goods may not be pledged or assigned by way of security.

6.3 The Client may process and manipulate the reserved goods in the normal course of business. Processing and manipulation shall be carried out on behalf of the Company as manufacturer, within the meaning of § 950 BGB, but without obligation for the Company. The Company automatically acquires the title to the product resulting from the processing or manipulation. If the reserved goods are processed together with other goods not belonging to the Company, the Company shall acquire co-ownership of the new product proportionately to the ratio of the market value of the reserved goods to the total market value of all the goods being processed together. If, during the processing, the Company loses its title over the reserved goods to the client, it is hereby agreed that as soon as the client acquires ownership, it shall transfer the ownership to the Company. If the reserved goods are processed together with other goods not belonging to the Company, and the client becomes the owner of the new product, it is hereby agreed that the client shall transfer the co-ownership of the new product to the Company proportionately to the ratio of the market value of the processed reserved goods to the total market value of all the goods which were processed together. The client shall hold the ownership or co-

ownership irrevocably and gratuitously in trust for the Company.

6.4 The Client hereby assigns to the Company by way of security any claims against third parties arising from the onward sale of the goods (including the balance of any current account claims) and any other claims (e.g. for unauthorised processing or insurance benefits) in connection with the goods. The Company hereby accepts such assignment. The client shall remit to the Company at its request all necessary documentation and information for the assertion of the assigned claims. The Company irrevocably authorises the client to collect the assigned claims in its own name for the Company account. The Company may revoke this power if the client does not duly fulfil its payment obligations towards the Company.

6.5 The Client shall, at its own expense but in the Company favour, contract adequate insurance covering the reserved goods against theft, burglary and fire and water damage, and it shall produce evidence of such coverage on demand. The insurance coverage shall be maintained as long as the Company still has claims against the client in the scope of their overall business relationship. The client hereby assigns all insurance claims in connection with the reserved goods to the Company. The Company hereby accepts such assignment.

6.6 The Client shall immediately object to any third-party actions (e.g. seizure or attachment) affecting the reserved goods or the claims assigned to the Company, referring to the Company rights. He shall promptly notify the Company in writing of any such action, remitting to the Company the necessary documents (e.g. the record of attachment) enabling it to take action.

6.7 If the Client fails to pay any amount when due or otherwise infringes his contractual obligations, the Company shall be entitled to repossess the reserved goods at the client's expense or to demand the assignment of the Client claims for return against third parties. The assertion of the Company's rights of retention and its repossession or seizure of the goods does not qualify as a withdrawal from the contract.

6.8 The retention of title also secures any liabilities, which may arise from an official receiver's unilateral choice of performance.

6.9 The Company shall release the securities held pursuant to the above if and insofar as they exceed the value of the claims to be secured by 20 or more, under the proviso that only deliveries, which have been fully paid, will be released; current account deliveries are excepted.

§ 7 Warranties

7.1 The Company warranties presuppose that the Client promptly notifies it of any defects in the goods or any wrong or incorrect deliveries. § 377 of the German Commercial Code is applicable, with the proviso that defects must be notified and accurately described to the Company in writing. Apparent defects must be notified within eight (8) days of delivery. Hidden defects must be notified within eight (8) days of discovery but no later than three (3) months after delivery. The Client shall, at the Company option, return the faulty goods or allow the Company to check the goods and remedy the defect on site.

7.2 The Company warranties do not cover normal wear and tear of the goods, nor do the warranties extend to defects caused by the client or by third parties, for example through improper alteration, use or handling of the goods or through lack of repair and maintenance. The client is expressly made aware of the fact that the nozzles and hoses delivered by the Company have a limited life span, which largely depends on operating pressure and environmental conditions, such as water quality in particular.

7.3 The Company's warranties are first limited to the right to remedy or replace the defective goods at its option. If this is not effective or if the Client can show that such a solution is unreasonable for him on other grounds, the Client may, at his choice, ask for a decrease in price (reduction) or withdraw from the contract.

7.4 Claims based on defects become time-barred one (1) year after delivery.

7.5 If a product delivered by the Company reaches a private consumer who files a justified warranty claim, the client may avail himself of his legal rights of recourse (§§ 478 and 479 BGB) subject to Article 7.1 and Article 8 of these General Terms and Conditions.

§ 8 Liability

8.1 Unless otherwise expressly provided in these GTC, the Company liability for damages and expenses, on whatever grounds,

- a) is excluded in case of slight negligence,
- b) is restricted, in case of gross negligence, to the foreseeable damages typical for the contractual services.

8.2 The limitation and restriction of liability under § 1(a) and (b) of this Article do not apply

- a) if the damages were caused deliberately,

- b) if specific properties and conditions of an object were guaranteed,
- c) to injuries causing death or bodily harm or affecting a person's health,
- d) to the Company's liability under product liability laws.

8.3 In case of breaches of essential contractual obligations, the Company liability is limited to the foreseeable damages typical for the contractually agreed services. For the purpose of this Article, essential contractual obligations means the main obligations under the reciprocal contractual relationship, the performance of which the client is entitled to rely upon in terms of content, nature and objectives when it signs the contract.

8.4 §8.3 also applies in case of gross negligence.

8.5 GONTEC products are typically used for high-pressure industrial cleaning. The liability limits in this §8 also apply to the Company consulting services. Any technical advice provided orally, in writing or by testing is based on current technological standards, the Company best knowledge and the indications provided by the suppliers. Notwithstanding, the client is still required to verify the proposed method of use, application and security. Accordingly, the application, utilisation and other uses of the products are exclusively within the Client responsibility. The Client shall pass on the foregoing information and obligations to subsequent acquirers and to his own customers.

§ 9 Place of Performance / Jurisdiction / Governing Law

The place of performance and jurisdiction is at the Company registered office, Berlin, Germany, at the Company option in the case of proceedings against the client, at the Client registered office. The legal relationship between the Company and the Client is exclusively governed by the laws of the Federal Republic of Germany unless the provisions of another legal system take mandatory precedence.

§10 Disclaimer

These General Terms and Conditions have been translated into English from the German language original for the convenience of English speakers. In case of a discrepancy between the two versions, the original German language version shall prevail.