

General Terms and Conditions of Business

Of the Company aqua signal GmbH (a private limited company) (as of 1st of September 2010)

I. Scope of Application of the General Terms and Conditions of Business

1. Our contracts, deliveries and services, including all future contracts, deliveries and services, are governed solely by the following General Terms and Conditions of Business ("Conditions"). Our Customers' Supplemental or diverging General Terms and Conditions have no application.

2. Our Conditions only apply to persons who when entering into a contract do so in the exercise of their commercial or independent professional activity (a businessman in the sense of Section 14 of the BGB (*German Civil Code*)).

II. Offer, Conclusion of Contract and Nature of our Products

1. Our offers are non-binding and without obligation. All contracts only become effective upon receipt of our written order confirmation, or at the latest upon delivery of the products.

2. Our offer, our order confirmation and these Conditions shall govern the contents of the contract. Divergent agreements shall only become part of the contract where we have expressly agreed to them with our Customer. Any such agreement must be in writing. No oral agreements exist on the date the contract is executed.

3. The contractually agreed characteristics of our products are those properties and features which are specified in our offer and in our order confirmation. If we have shown or sent sample products to the Customer before entering into a contract, then the properties of the sample product apply as contractually agreed-to characteristics. However, we are entitled to make subsequent changes as may be required by technical reasons related to the production process and which the Customer can reasonably be expected to accept. The same applies to changes resulting from a change made by our subcontractor. We are entitled to take into consideration further technical developments. Additional or more far-reaching properties and features than those set forth in our offer and in our order confirmation are only valid as a contractually agreed-to characteristic where they have been expressly agreed to. Any such agreement must be in writing.

4. Product specifications set forth in documents other than our offer documents and in our order confirmation, including but not limited to illustrations and drawings, shall be regarded as rough indications only, from which we may deviate within our normal margin of variation to an extent the Customer may reasonably be expected to accept, unless the specifications are expressly defined as binding.

5. All documents handed over to the Customer (drawings, calculations, etc.) remain our property; they may not be made available to third parties without our written consent nor may they be used otherwise by the Customer.

6. Statements made by us concerning the characteristics of the products shall only constitute a guarantee for their characteristics or durability where we have expressly referred to them as a guarantee of characteristics or durability. If such a guarantee exists, then the rights of the Customer arise solely from our statement of guarantee. The statement of guarantee must be in writing.

III. Additional Services

1. Upon the Customer's purchase of products from us, the scope of our services includes neither the initial planning of the products nor advice consultation regarding their fitness for purpose for the Customer, unless we have expressly agreed otherwise with the Customer. Agreements regarding additional services must be in writing.

2. If the Customer has commissioned us with the design development and planning of specific products, the Customer shall provide a specifications sheet containing all the specifications which the products shall have. The specifications sheet must contain all the information required for our design and planning activity, and in particular information on the planned purpose of use of the products and on the quantity the Customer plans to purchase. The specifications sheet must be signed by the Contract parties with legally binding effect and must set forth the date of signature. This also applies to any changes made to the specifications sheet. We are willing, upon request, to assist the Customer with the preparation of the specifications sheet. However, the Customer shall be solely responsible for the completeness and the correctness of the specifications sheet.

3. The Parties shall, by mutual consent, prepare a schedule for the rendering of our services and for the Customer's cooperation. The Customer shall give us the name of a contact person who can, at short notice, make decisions regarding the products to be developed and whose statements are binding on the Customer.

4. A condition of a due rendering of our services is that all documents we require in connection with our design and planning activity (for example, a specifications sheet, architect's drawings, indication of the approving authorities), shall be provided by the Customer in good time and in full.

5. If the Customer subsequently wishes to make changes or modify the specifications sheet, then we will examine whether and under which conditions these changes and modifications are practicable. During the time this examination is carried out, our obligations to render services and to make deliveries are suspended. If the Customer's request to change requires a comprehensive review, then we are entitled to charge the Customer for the work involved in this review. After we have completed our review, we will inform the Customer without delay whether we accept or reject the request for changes or for modification of the specifications. However, subsequent changes or modifications shall only become part of the contract if an agreement has been specifically concluded in their regard and if such agreement includes provisions regarding the adjustment of our remuneration concerning our design and planning services, the unit prices for the products and the original periods for delivery and for services. Any such agreement for change or for modification of the specifications must be in writing.

6. We will provide the Customer with the result of our plans in the format agreed to. If no specific format has been agreed upon, then we shall stipulate it.

7. We have completely and duly performed our design and planning services when the products designed by us are in accordance with the specifications set forth in the specifications sheet. The Customer must confirm this to us within a week following the transfer to them of those documents to be transferred as set out in article III.6. If the Customer does not provide such confirmation within this time frame, then our services shall be taken as having been approved by the Customer unless the Customer complains of deviations of our services from the specifications sheet, giving details, and within the time period defined in the second sentence (timely mailing date of the notice is acceptable).

IV. Prices and Payments

1. The prices we state or confirm shall govern our products. The prices apply net and ex-works, excluding packaging and transportation insurance, which shall be charged separately. The packaging will be charged at cost. The packaging may not be returned.

2. If the products are custom developed for the Customer and the Customer buys fewer products than the originally indicated number (which serves as the basis for our development, manufacturing or procurement activity) then we are entitled to apply an appropriate increase in the prices for the products actually bought by the Customer. The price increase shall be based on the increased production costs and on our loss of profit. In addition, we are entitled to a cost increase amounting to our actual increased effort, if the information or specifications sheet provided by the Customer were incorrect or incomplete or if the Customer does not perform its contractual duty of cooperation and thereby causes us additional work and expense.

3. Additional services, such as for example, designs, drafts, light calculations, drawings, shall be charged for according to our expenses and effort, unless we have otherwise agreed with the Customer.

4. We are entitled to increase our prices and remuneration prior to the delivery or the provision of our services in the event of an increase in cost which is beyond our control (e.g., fluctuations in exchange rates, increases in raw materials prices, wages or taxes) and by the amount of the cost increase after having notified the Customer thereof; however, such cost increase shall not exceed the amount of our applied price increase.

5. Payment by the Customer must be received in full and without deductions in one of the accounts indicated by us within 12 days after the date of invoice. For all means of payment, the date of receipt of payment shall be the date on which the sum can be disposed of by us. If there is a delay in payment, we are entitled to charge default interest in the amount of eight per cent above the base interest rate.

Where pursuant to special agreements we accept discounted bills upon condition of their receipt instead of payment, the Customer will be charged the discount we are charged and additionally will be charged with collection charges, in case of discounted bills on out-of-town places.

7. The Customer only has the right of retention and the right of set-off against our claims for payment if his counterclaims have been declared valid by a court of law or have been accepted by us.

8. If it becomes apparent that our claims for payment are endangered because of a Customer's poor financial capacity, then we are entitled to make immediately due and payable all our claims arising out of the entire business relationship which are not yet due, and to the extent that we have already rendered our agreed deliveries and services. This shall also apply if we have already accepted discounted bills or checks. Claims shall be considered to be at risk when information from a bank or a credit agency advises that the Customer's creditworthiness is in danger. The claims are also considered to be endangered if the Customer is in payment default for at least two invoices. In addition to our rights in the first sentence we are also entitled to give the Customer an adequate time limit in which, at its own choice, it has to either pay or provide security for each delivery and service still to be rendered. If this time limit expires without such payment having been made or security having been provided, we are entitled to rescind any contracts with the Customer. In the event of suspension of payments or if the Customer is insolvent, we are not required to grant a grace period.

V. Periods of Delivery and Service

1. The agreed time periods shall not begin before the Customer has provided us with the documents it is required to provide, the necessary licenses from the authorities, releases, specifications/specifications sheet, agreed advance payments and any other cooperative efforts the Customer has agreed to.

2. A delivery deadline is considered to have been met if, on its due date, the products ordered have left our factory or, where the Customer has agreed to pick up the products itself, the Customer has been informed in good time that the product is ready for dispatch.

3. If deliveries or services are impeded by unforeseeable events which are beyond our control (e.g., unforeseeable interruptions of business operation, strikes, lock-outs, delayed or failed delivery to ourselves when a congruent covering transaction has been entered into in good time), then the periods of delivery or services affected by this event shall be extended by the duration of such impediment. In this case we are entitled to rescind the Contract and we are obligated to promptly inform the Customer about the fact that the delivery or service is not available, and to promptly reimburse it for any services in return which it may have provided.

4. If the delivery of the ordered products is delayed at the Customer's request or as a result of another event caused by the Customer, then the Customer shall be charged for the resulting storage costs. If the products are stored in our factory, we are entitled to claim 0.5% of the invoiced amount for each started month of storing, and a minimum of €100.00 per delivery.

VI. Delivery

1. The delivery shall be effected ex-works. This also applies in cases of deliveries free of shipping charges. When deliveries are effected ex-works, we do not assume responsibility for using the cheapest shipping method.

2. In case of shipment to foreign countries, we shall, upon request, provide specifications for material and weight; provided, however, that we may deviate from these specifications within our customary margin of variation, unless we have confirmed in writing that certain features are binding. We do not guarantee compliance with foreign packaging or customs regulations, etc.

3. We reserve the right to make excess or short deliveries up to an amount equalling 10% of the invoice value.

4. We are entitled to divide orders into partial deliveries at our discretion, after having informed the Customer accordingly, and to charge for such partial deliveries separately. This does not apply where the Customer rejects the notification to make partial deliveries in writing, listing the reasons why it believes such partial deliveries to be unreasonable. This writing must be received by us within a one-week period to be effective.

VII. Transfer of Risk

1. The risk of accidental loss or accidental destruction of the products transfers to the Customer upon delivery of the products to a shipper or carrier. We will only take out transport insurance upon special agreement. In this case, the Customer shall bear the costs of this insurance.

2. Delivered products, even if they have minor defects, shall be accepted by the Customer without compromising its rights arising from Article VIII.

VIII. The Customer's Rights and Duties in Case of Product Defects

1. We must be notified of noticeable defects immediately, and at the latest within 10 business days after the products have been delivered (mailing date is acceptable). We must receive written notice of hidden defects immediately they have been discovered. Notice of such defect must also be sent to us via facsimile or email on the day the notification is sent to us by post. The Customer's duty to inspect the delivered products and to give notice of defects also applies to products packaged for forwarding. The Customer may not make a claim for defects for which it has given late notice.

2. A defect does not exist where the Customer has selected the products to be delivered itself and where it is later discovered that the products do not meet the Customer's requirements.

3. Further, the Customer has no claim against liability for defects where damage has arisen to the contracted products as a result of:

- unsuitable or incorrect use, defective installation or operation, alteration of the goods or replacement of parts of the goods by parts which do not correspond with the original specification, other defective or careless handling, natural wear and tear, use of unsuitable equipment or substitute materials, or
- use outside the temperature ranges specified by the manufacturer or non-compliance with the manufacturer's prescribed maintenance and service work which has to be carried out by technically trained personnel.

4. If notifications of defects are justified and made in a timely manner, the Customer's claims shall, initially, be limited to a subsequent performance ("*Nacherfüllung*"). This provision shall not apply if such subsequent performance is unreasonable for the Customer. In case of subsequent performance, we may either remedy the defects or redeliver the products. If the subsequent performance fails twice, or if we refuse to subsequently perform, the Customer shall be entitled to its other statutory rights in case of defects; provided however, that such rights shall be subject to the following paragraphs.

5. The Customer has no right of rescission if the product only has minor defects.

6. If the Customer has a claim for damages arising from defects, the exclusions and limitations of liability set forth in Article IX shall govern.

7. If only certain out of several delivered products are defective, the Customer's potential legal right of rescission shall be limited to such defective products. This also applies if the products have been sold as a unit, unless the defective products cannot be separated from the other products without damaging them or the Customer proves that this would be unreasonable.

IX. Liability, Exclusion of Rescission in Case of Specific Violations of Duties

1. Under the German Product Liability Act (*Produkthaftungsgesetz*), we are fully liable for wilfully caused damages, fraudulent concealment of defects, damages resulting from a grossly negligent breach of a material contractual provision as well as for damages arising from personal injuries to life, body or health. We are also liable to the same extent in case of a guarantee.

2. For damages caused by gross negligence, which are not covered by paragraph 1, our liability is limited to compensation for foreseeable damages typically arising out of this kind of agreement. In addition, in case of infringement of material contractual obligations caused by ordinary negligence, we shall only be liable for the compensation of foreseeable damages typically associated with this kind of agreement.

3. We are not liable for damages caused by ordinary negligence, with the exception of the cases mentioned in paragraphs 1 and 2 above.

4. The above-referenced limitations on and exclusions of liability shall also apply to the liability of our executive bodies, persons we employ in the performance of our duties, and/or vicarious agents.

5. The Customer's rights to rescind the Contract because of a breach of a duty not resulting from a defect in the products and for which we are not liable, are excluded.

X. Periods of Limitation

1. Claims asserted by the Customer because of a defect are subject to a limitation period of one year. Notwithstanding the preceding sentence, the limitation period for claims asserted by the Customer due to a defect regarding a material right of a third party, on account of which the third party may demand the delivery of the products, is ten years.

2. Other contractual claims asserted because of a breach of duty shall also be subject to a one-year limitation period. This shall not apply to the Customer's right to rescind the Contract because of a breach of duty which we are responsible for and which does not concern a defect.

3. All other claims of the Customer as well as claims arising from a guarantee are also subject to a one-year limitation period.

4. In deviation from the above paragraphs 1 through 3, the statutory periods of limitation shall apply to the Customer's following claims:

- pursuant to the Product Liability Act and on account of damages resulting from personal injury to life, body, or health, or a material breach of contractual obligations; or
- due to damages which we ourselves or any of the persons we employ in the performance of our duties caused through a willful or grossly negligent breach of duty; or
- due to fraudulent concealment of a defect; or
- to reimbursement of expenses pursuant to Section 478 para. 2 of the BGB (*German Civil Code*).

5. Our claims against the Customer shall be subject to the statutory periods of limitation.

XI. Retention of Title

1. Until all claims have been fulfilled (including all balance claims out of the current account), which are due to us because of any current or future legal right against the Customer, the products remain our property. Products to which we have a right of (co-)ownership shall hereinafter be referred to as reserved goods.

2. Processing, transformation and mixing shall always be carried out for us as manufacturer. If our (co-)ownership is terminated by a combination with objects not owned by us, it is hereby agreed that we acquire (co-)ownership of the combined product to the extent of the value of our reserved goods in proportion to the value of the other object at the time of the combination (invoice value). This shall also apply if the other object is to be regarded as the main object. We hereby accept the transfer of the share of ownership. The Customer shall hold in custody our (co-)ownership free of charge on our behalf.

3. The Customer is entitled to process and resell the reserved goods in the ordinary course of business, and in particular to install them, as long as it is not in default with its payment obligations to us. Pledges or transfers by way of security are inadmissible.

4. Already upon conclusion of the contract, the following claims of the Customer are hereby assigned to us by way of security: claims which currently or in the future result from further processing and reselling (including all balance claims out of the current account), insurance claims as well as claims against third parties due to damage, destruction, theft or loss of the reserved goods up to the invoice value of the processed or sold reserved goods. We hereby accept this assignment. The share of the claim assigned to us shall have priority. This shall apply in particular if the third party asserts claims against the demanded purchase price accrued to the Customer, where such claims result from defects of the reserved goods. Reductions and set-offs of the third parties with claims for damages shall first be charged against the claim not assigned to us.

5. When reselling the reserved goods, the Customer shall retain the title of the reserved goods until its customers have paid the purchase price in full. The Customer shall not be entitled to resell the reserved goods to third parties if the demanded purchase price resulting from the resale is subject to a prohibition of assignment.

6. The Customer shall be entitled, subject to revocation, to collect the claims assigned to us only in the ordinary course of business. Partial services by the Customer's clients shall first be charged to the claim not assigned to us. A collection of the claim assigned to us is admissible only after the remainder of the claim has been redeemed.

7. If the Customer, pursuant to paragraph 4 above, has agreed to a preferential partial assignment for the benefit of other product creditors, then paragraph 4 shall apply; provided, however, that the Customer collects the partial claim assigned to us together with such priority partial claims.

8. If third parties obtain access to the reserved goods, the Customer shall inform them of our ownership and shall immediately inform us.

9. If the Customer breaches the contract – especially if it defaults in payment – or if our payment claims are endangered because of the Customer's poor financial capacity, then we are entitled to revoke the direct debit authorization. Upon request, the Customer must provide the names of the creditors to whom the claims were assigned. If the Customer assigns its claims arising from the resale in the course of a genuine factoring, it shall inform us of this. The Customer's payment claim against the factor, which it obtained for the assignment, is hereby assigned to us up to the amount of the claim to be secured.

10. The Customer is entitled to demand the release of claims from us, to the extent the value of our securities exceeds our claims to be secured by more than 10%. We will choose such potential claims to be released.

XII. Choice of Law, Place of Performance, Place of Jurisdiction

1. The contract is exclusively subject to the laws of Germany.

2. The sole place of performance for all obligations of the parties is our place of business in Germany. This shall also be the Customer's place of payment.

3. The place of exclusive jurisdiction for both parties and for all disputes directly or indirectly arising from the contractual relationship with us is Bremen if the Customer is a businessman, a legal person as defined by public law or a public fund's assets. However, we have the right to sue the Customer in its general place of jurisdiction.

4. For purposes of the international jurisdiction of the courts of Bremen, paragraph 3 shall also apply in case of cross-border deliveries.