

GENERAL TERMS AND CONDITIONS OF KWR WATER B.V. 2007 (AVOKWR 2007)

Article 1: Definitions

- a. KWR: the company KWR Water B.V. ;
- b. Client: each natural person, legal entity or company with whom or with which KWR concludes an Agreement regarding the supply of goods and/or the provision of services or with whom or with which KWR negotiates with a view to concluding an Agreement.
- c. Offer: the offer and/or estimate made by KWR to the Client regarding the supply of goods and/or the provision of services, in accordance with an accompanying description;
- d. Order: each Offer accepted by the Client;
- e. Agreement: each Agreement regarding the supply of goods and/or provision of services by KWR that is concluded between KWR and the Client, each alteration thereof or supplement thereto, as well as any act, whether or not intended to have legal effect, to prepare and perform such Agreement.

Article 2: Applicability

- 2.1 These general terms and conditions form part of and apply to all enquiries made by the Client, Offers made by KWR, Orders of the Client, Order confirmations made by KWR, and all Agreements concluded or to be concluded by the Client with KWR regarding the supply of goods and/or provision of services (which includes: the provision of consulting services) by KWR.
- 2.2 The applicability of any general or specific conditions or stipulations of the Client are expressly dismissed by KWR, unless otherwise previously agreed expressly and in writing.
- 2.3 Deviations from these general terms and conditions, or deviating provisions, conditions and/or arrangements apply only if and to the extent that they have been explicitly confirmed by KWR in writing.
- 2.4 A Client to whom these general terms and conditions have applied, is also deemed to have agreed to these general terms and conditions having been declared applicable to enquiries submitted by the Client at a later date, to Offers, to Orders and to all Agreements.
- 2.5 Whenever any provision set out in these general terms and conditions would, in the opinion of the competent court, not be applicable or be in conflict with public order or the law, only the provision in question shall be considered as not having been set out, but the remaining provisions set out in these general terms and conditions shall remain in full force and effect. Instead of a possible invalid provision, a provision is considered valid that most approaches the intention of the parties.

Article 3: Offer, Order and conclusion of an Agreement

- 3.1 Unless otherwise agreed in writing, all Offers by KWR are without engagement and may always be withdrawn by KWR, even if they contain an acceptance deadline.
- 3.2 All Offers are made by KWR to the best of its knowledge and with the greatest care. However, KWR cannot guarantee that no deviations occur in this respect.
- 3.3 An Agreement shall be concluded no sooner than at the time that the written acceptance by the Client of the Agreement is received by KWR or if KWR commences implementation of the Order.
- 3.4 All (legal) transactions and practices that, in the framework of the conclusion, performance and alteration of the Agreement between KWR and the Client, are conducted by an official of the Client, are considered to be conducted under the authority of the Client and are binding for the Client. The Client cannot make a

claim to KWR that in the matter of these transactions or practices no authorisation existed to represent or to bind the Client.

Article 4: Content, duration, performance and ending of the Agreement

- 4.1 KWR has no obligations beyond the Agreement, which should be seen as an obligation of best intents, to be fulfilled to the best of capabilities. Further obligations only exist inasmuch as these are agreed in writing.
- 4.2 Unless otherwise agreed in writing, an Agreement is always concluded for an indefinite period of time. The date of the ending of the Agreement is considered to be the date of the final invoice from KWR.
- 4.3 Without prejudice to its right to damages, KWR has the right to without notice of default or intervention of the court being required and having effect immediately (a) suspend the performance of the Agreement and all Agreements arising under it and/or (b) to terminate, in its/their entirety or in part, such Agreement or all Agreements arising under it, in the event that:
 - a. the Client fails to fulfil or to fulfil properly or in due time any obligation under the Agreement;
 - b. a petition for the Client's suspension of payment or bankruptcy has been filed;
 - c. the Client's enterprise is dissolved, wound up or closed down;
 - d. a substantial part of the Client's property is attached under a warrant of execution;
 - e. KWR has good grounds to fear that the Client is or will be unable to fulfil its obligations arising under the Agreements concluded with KWR and the Client fails to provide security or sufficient security at KWR's request for the proper fulfilment of the Client's obligations.
- 4.4 Any claims that KWR has or will obtain against the Client in the intended instances shall forthwith be due for payment in full, while KWR shall further be entitled to take back all goods belonging to it.
- 4.5 The Client does not have the right to invoke any right of suspension or set-off vis-à-vis KWR.
- 4.6 The Client does not have the right to terminate the Agreement, in its entirety or in part, if it was already in default regarding the fulfilment of its obligations.

Article 5: Making information, material and facilities available

- 5.1 In order to perform the Agreement well and as much as possible on schedule, the Client shall provide in due time all that KWR requires in terms of documents, data and (to be tested) material in the form required by KWR. If the Client does not fulfil these requirements, the Client is liable for all the resulting costs and damages to KWR. KWR can assume the accuracy of the documents, data and (to be tested) material provided by the Client.
- 5.2. Unless otherwise determined in the Agreement, the Client is obligated, upon the request by KWR, for activities connected to the Agreement in the grounds and/or installations of the Client, to make available the required facilities such as assistants, accessories and material to KWR at no cost, in such a way that the activities to be performed by KWR can be carried out in a safe manner.
- 5.3. If the assistants, accessories and material do not comply with applicable safety standards, KWR withholds the right to suspend or, as the case may be, not to undertake, the performance of the activities. The Client is in this event obligated to compensate KWR for all the resulting costs to KWR (including, in any event, travel costs and travel time) and damages to KWR.
- 5.4. In the event of its presence in the buildings and/or grounds of the Client, KWR shall comply with the applicable (house) rules and directions formulated by, or in the name of, the Client.

Article 6: Cancellation, interruption or delay

- 6.1. The Client is obligated to compensate all costs and damages to KWR that directly or indirectly result from the cancellation or interruption of the Agreement by the Client, if and inasmuch as the cause for this cancellation or interruption cannot be attributed to KWR.
- 6.2. In the event of a delay in the performance of the Agreement, KWR has the right to charge through any possible extra costs unless the delay can be attributed to KWR.
- 6.3. If the performance of the Agreement is interrupted by more than six months by the Client, KWR has the right to consider the Agreement ended. The first day of the interruption is considered to be the dateline of the letter from the Client where it notifies of the interruption, or, in its absence, the dateline of a letter in which KWR establishes the interruption. The Client is obligated to compensate KWR for any costs (including idling costs) and damages incurred by KWR for each interruption.

Article 7: Time limits

- 7.1 A time limit given by KWR within which the activities should be completed, or the provision should take place, is indicative, and should never be considered a deadline date.
- 7.2 If there is a danger that the time limit within which the activities should be completed, or the provision take place, will be exceeded, KWR shall enter consultations with the Client as soon as possible.
- 7.3 In the event the time limit is exceeded, the Client has no right to any compensation in the matter. In this event, the Client also has no right to terminate or cancel the Agreement, unless the time limit is exceeded to such an extent that the Client cannot reasonably be required to leave the Agreement in place.

Article 8: Alterations of the Order or additional work

- 8.1 The Client accepts that the scheduling of the Order can be modified if the parties in the interim agree to the need to extend or modify the approach, operation or extent of the Order and/or the resulting activities. If the interim alterations have an influence on the agreed compensation, KWR will inform the Client of this as soon as possible.
- 8.2. In the event of an interim alteration to the Order or to the implementation of the Order, KWR shall make the required adjustments of the quality of the activities, as the case may be, service provision make this necessary. If such an adjustment results in additional work, this additional work will be to the account of the Client, even if this additional work is not commissioned in writing to KWR.
- 8.3 KWR is never obligated to implement additional work.

Article 9: Retention of title

- 9.1 For as long as the Client fails to make payment in full with respect to the claims under any Agreement concluded with KWR as well as the claims on account of failure in the performance of such Agreements, the goods supplied by KWR to the Client shall remain KWR's property. KWR shall have the right to take possession of the goods that have remained KWR's property, if the Client fails to fulfil any obligation pursuant to the Agreements concluded with the Client, without prejudice to the authority of KWR to terminate the Agreement, or to demand that it be complied with as well as claim damage compensation.
- 9.2 For as long as the goods supplied by KWR are subject to retention of title, the Client does not have the right to process, dispose of, lease or give the goods in use to third parties or to encumber them with any form of security, unless the foregoing is done within the normal conduct of the Client's business.

- 9.3 If the Agreement concluded between the parties is terminated at the request of one of the parties and KWR's goods are still subject to retention of title the Client shall be under the obligation to put such goods at KWR's disposal immediately. The Client shall not be entitled to set off any account receivable by the Client with such goods or suspend its obligation to put these goods at KWR's disposal on the basis of such account receivable.
- 9.4 Contrary to the provision set out in Article 20.3 of these general terms and conditions, the effects under the law of property resulting from the retention of title shall be governed by the law of country of destination on which territory the goods are located at the time of delivery.
- 9.5 In the event the goods are intended for export, the effects under the law of property resulting from the retention of title, contrary to the provision set out in paragraph 4 of this Article, shall be governed by the law of the country of destination if such law contains more favourable provisions for KWR as regards the law of property than the law applicable on the basis of paragraph 4 of this Article.

Article 10: Confidentiality in the performance of activities

- 10.1 The parties (by which is also meant the partners with which the parties are grouped and the managers of the parties) mutually guarantee to maintain the confidentiality with regard to third parties of all business or other information originating from (one of) the two parties, which in some manner or other has become known to them. This confidentiality is to be respected both during the course as well as after the ending of the Agreement.
- 10.2 The parties also commit the personnel and/or assistants that they bring in to confidentiality.
- 10.3 If a party does not comply with the provisions of the previous paragraphs of this Article, it is under the obligation to compensate all costs and damages the other party suffers or will suffer as a result.
- 10.4 If, in the opinion of KWR on the basis of investigation results, there is a danger to public health, safety, the environment and/or a responsible operation of an (other) public utility, KWR has the right to report the relevant danger to the relevant authorities. Before communicating this report, KWR shall inform the Client of this.

Article 11: (Intellectual) Property and use of documents – Copyright

- 11.1 Procedures, calculation models, techniques, test-installation designs, prototypes, and proposals and ideas presented by KWR, as well as instruments, including software, that are used in the Offer and/or for the implementation of the Order and/or are contained in the recommendations or research results, are and remain the property of KWR. They can therefore only be made public upon the authorisation of KWR, unless otherwise agreed in writing.
- 11.2 The Client only has the right to copy documents for the use in its own organisation, inasmuch as it complies with the objective of the Order.
- 11.3 Notwithstanding the Copyright provisions, and subject to the provisions of Article 10 of these general terms and conditions, the Client has the right of disposal over the reports, recommendations, etc. produced for it by KWR within the framework of the Agreement.
- 11.4 The reports produced may only be published verbatim and in their entirety by the Client, and with a mention of the name of KWR. Publication in another form is only permitted upon the written authorisation of KWR.
- 11.5 The use of the results of the activities performed by KWR, as well as the use of the name of KWR for commercial purposes, is only permitted upon the written authorisation of KWR.

- 11.6 All rights resulting from intellectual and industrial property, as well as the copyrights, remain the property of KWR.

Article 12: Patents

- 12.1 Inasmuch as the implementation of the Order by KWR results in patentable material, KWR has the right, in its name and to its account, to apply for a patent. KWR shall in this event inform the Client about:
- a. its supposition that patentable material has been found;
 - b. the fact that a patent application is being submitted;
 - c. the contents of this application.
- 12.2 The Client is obligated, at the request of KWR, to provide KWR with all cooperation required in the submission of patent applications.
- 12.3 If KWR does not wish to exercise its right according to the provisions of paragraph 1 of this Article, and the Client wishes to exercise this right, the parties shall consult on the matter and KWR will provide its cooperation to the exercise by the Client of that right, insofar as the exercise of that right does not damage the interests of KWR.
- 12.4 If the Client exercises the right to make a patent application, then it grants KWR gratis a license for the use of the patent whether or not for use in activities in the service of third parties. At the request of the Client, KWR shall provide the Client assistance in the patent application procedure. The activities resulting from this context for KWR shall be compensated by the Client on the basis of time spent and costs incurred. If the Client proceeds to a patent application, it will also compensate KWR for the amount that KWR might possibly be obligated to pay the inventor under the provisions of the law.

Article 13: Guarantees / Complaints

- 13.1. Many of the goods to be supplied by KWR are to be considered prototypes and not developed line-products. If the goods supplied by KWR are not prototypes, KWR guarantees, for a period of 12 months following their delivery, that these goods have the features that are required for their normal use. Unless otherwise agreed in writing, KWR does not guarantee any characteristic other than those that are included in the descriptions and specifications employed by KWR. The Client is obligated to strictly comply with the instructions and rules from KWR regarding the product use, if this does not occur, the Client cannot make any claims.
- 13.2 If KWR supplies goods to the Client that KWR obtained from its suppliers, KWR shall never be obligated vis-à-vis the Client to provide any guarantee or accept any liability beyond the ones KWR may claim from its suppliers.
- 13.3 The Client is obligated to check the goods and the services provided immediately after their delivery for possible defects and/or damages. Any possible defects and/or damages must be notified in writing, with stated grounds, to KWR immediately after being observed, if this does not occur, KWR has the right not to process the related complaint. The Client cannot in any event make any further claims if the notification to KWR takes place later than seven days after the moment at which the Client could reasonably have discovered the defect.
- 13.4 If the complaint is considered well-founded by KWR, KWR has the choice of either replacing the goods concerned, or adequately repairing the goods concerned, or issuing a credit note for the delivered goods up to the value of the invoice amount. KWR is not under any further obligations.

13.5 The existence of a defect as intended in this Article does not give the Client the right to suspend the payment obligations.

Article 14: Liability

14.1 If the Client suffers damages because of a defect with regard to the goods supplied by KWR and/or the services provided by KWR, then KWR has the choice of either replacing the goods concerned, or issuing a credit note for the goods supplied and/or services provided up to the value of the invoice amount, with a maximum of €50,000.=.

14.2 Within the framework of the restriction of the previous paragraphs, KWR is only liable for activities inasmuch as these are performed by KWR itself or under contract to KWR. Specifically, KWR does not vouch for data received from the Client or from third parties, unless KWR has notified in writing that it has examined these data and found them correct.

14.3 The Client shall safeguard KWR against all claims of any nature whatsoever that may be made by third parties against KWR on account of any damage sustained or to be sustained beyond the liability the Client may claim against KWR.

Article 15: Performance by third parties

KWR has the authority to have the activities arising under the Agreement to be performed by one or more third parties or by employees employed by one or more third parties. Wherever in these general terms and conditions the liability of KWR is limited, this also includes a limitation of the liability of these third parties (and their employees) vis-à-vis the Client. Safeguard obligations of the Client regarding KWR equally apply to the Client regarding third parties (and their employees) brought in by KWR.

Article 16: Force majeure

16.1 Force majeure for KWR means all those circumstances independent of the will of KWR, whereby the fulfilment of its obligations regarding the Client is diminished, entirely or in part, or whereby the fulfilment of its obligations cannot be reasonably demanded of KWR, whether or not the circumstance was foreseeable at the time of the conclusion of the Agreement. These circumstances include: strikes and closures, stagnation or other business disruptions in whatever form and/or government measures, as well as the lack of any of the approvals to be acquired from the government.

16.2 When third parties, upon which KWR is dependent for the performance of the Agreement, do not, or do not in due time, fulfil their obligations to KWR because of circumstances that, according to the provisions of the first paragraph of this Article, would have constituted force majeure for KWR, then this non-fulfilment or untimely fulfilment by third parties shall also constitute force majeure for KWR regarding the Client.

Article 17: Compensation

17.1 The performance of the Agreement by KWR is conducted in exchange of:

- a. an amount to be determined on the basis of a subsequent costing of time spent and costs actually incurred on the basis of the rates, this, with or without previous cost estimates; or
- b. a previously agreed amount as a fixed price.

17.2 Unless otherwise determined in writing, the amounts intended in paragraphs 1 item a and b do not, in any event, include the following cost types, which shall be invoiced separately: value added tax and taxes owed

outside of the Netherlands, transport costs, travel and accommodation costs abroad, accommodation costs in the Netherlands, use of special installations, as well as costs regarding activities or provisions to be performed by third parties as well as activities that upon the concluding of the Agreement could not have reasonably been foreseen.

- 17.3 An interim change in the level of the salaries and (other) costs that obligate KWR to make a fee adjustment or to adjust other cost compensations herefore mentioned, shall be invoiced through after the Client is informed.

Article 18: Payment

- 18.1 Unless otherwise agreed in writing, the payments (without any deduction, set-off, or debt settlement) should be made within thirty days of the invoice date, failing which the Client shall be in default by operation of law (thus without warning or notice of default being required). In this event, the Client shall owe KWR a default interest of 1.5% per month on the invoice amount or the unpaid part thereof, which is calculated as of the due date until the date of payment. The Client shall in this event be under the obligation to reimburse the extrajudicial collecting costs to KWR. The extrajudicial collecting costs are fixed at at least 15% of the principal amounts owed.
- 18.2 If KWR has instituted legal action, arbitration or binding-advice proceedings, the Client shall be under the obligation to reimburse to KWR the expenses actually incurred with respect to the proceedings. Such expenses include the fees for lawyers, local counsel and legal representatives, as well as the fees owed to arbitrators or binding advisors and court registry fees, even if said expenses are in excess of any ruling on the costs of the proceedings under Article 237 et seq. of the Netherlands Code of Civil Procedure.
- 18.3 In the event of default of payment of any invoice on its due date, all outstanding invoices, even those invoices with respect to which the payment term has not yet expired, shall become due for immediate payment.
- 18.4 If KWR has reasons to doubt that the Client will fulfil its financial obligations, KWR has the right to at all times to require the Client to pay, either in entirety or in part, in advance and/or to demand that the Client provide proper security to KWR's satisfaction.
- 18.5 Possible complaints regarding invoices, which likewise should be settled within the time limits mentioned in paragraph 1 of this Article, do not suspend the payment obligations.

Article 19: General provisions

- 19.1 The two parties shall confer closely regarding all cases that these conditions do not foresee.
- 19.2 The Client shall not have the power to assign to third parties any rights and obligations pursuant to the Agreement or any Agreements arising under it, whether in their entirety or part.
- 19.3 These general terms and conditions may be modified by KWR. Alterations enter into force on the first working day following 30 days from the date in which KWR informs the Client in writing about a change in the general terms and conditions.

Article 20: Disputes and applicable law

- 20.1 The law of the Netherlands shall govern all transactions for which these general terms and conditions apply, with the exclusion of the provisions of international treaties, including the Vienna Sales Convention, insofar that these do not include mandatory rules of law.

- 20.2 Any disputes, of whatever sort, which may arise between the parties and that cannot be settled amicably, will exclusively be settled by the Court of Utrecht. A dispute shall be deemed to exist as soon as one of the parties has informed the other of such in writing.
- 20.3 In the event of differences between these general terms and conditions and their translation, the Dutch text prevails.

Article 21: Coming into force

- 21.1 These general terms and conditions come into force on January 1, 2007, and have been filed at the Chamber of Commerce and Industry in Utrecht.
- 21.2 These general terms and conditions may be referred to as "General Terms and Conditions of KWR Water B.V. 2007" ("Algemene Voorwaarden voor Opdrachten aan KWR Water B.V. 2007"), or "AVOKWR 2007" in short.