

PURCHASING CONDITIONS OF ABB AG, VIENNA / Version August 01, 2007

The following Purchasing Conditions shall apply to all our orders without exception; any matters not provided for herein shall be determined according to law. Any conditions of sale and supply of the contractor deviating from our conditions shall only apply subject to our express written consent. The contractor shall be deemed to agree to our Purchasing Conditions by accepting and carrying out our orders.

1. OFFER

The contractor shall adjust the quantities and quality and kind exactly to our enquiry and shall make special reference to any deviation there from. If we refer to approximate quantities ("approx.") in our enquiry, the contractor shall consent to upward or downward changes in our orders in case such changes, in relation to the amount of the order, are relatively minor. Offers, estimates, plans, test certificates for technical equipment and the like shall always be supplied to us free of charge.

2. ORDERS

Contracts shall always be concluded containing as part of the contractual terms the contents of our written orders, including orders sent by fax transmission, as well as our Purchasing Conditions, irrespective of any offers submitted. Orders made orally or by telephone, as well as additions, changes or variations of any kind shall only become binding upon us following our approval sent in writing or by fax transmission. The order date shall be the date of dispatch of our order, however, in case of orders made orally or by telephone; the order date shall be the date of dispatch of our confirmation.

3. ACKNOWLEDGEMENT OF ORDER

(1) Our order has to be acknowledged forthwith in writing. If we do not receive the acknowledgement of order within ten days as from the order date, the contract shall in any event be deemed to have been agreed having as its terms the contents of our order; the time required for postal delivery shall be counted for the purpose of determining the above period. Deviations from our order shall be stated expressly and shall only be legally valid if we have recognised the same expressly in writing or by fax transmission; the unconditional acceptance of goods shall not be considered to constitute such consent.

(2) If in our order the prices or any other conditions (e.g. time of delivery) are not provided for, the same are to be inserted by the contractor in the acknowledgement of order. If the contractor fails to do so, no contract shall be concluded; if we do not agree to the prices and conditions set by the contractor, we shall be entitled to revoke our order.

(3) Upon agreement of the contract, the contractor guarantees to carry out our order in a professional and expert manner.

4. TIME OF DELIVERY

The date of delivery stipulated by contract shall be the time of arrival of the shipment, and/or of the performance of the services at the delivery address indicated. The time of delivery or performance of the services shall commence on the order date. If no period has been agreed upon, delivery or performance of the services shall be effected forthwith. In case of impending delay of delivery or performance of services, we shall be notified forthwith in writing of the reasons for and the expected duration of the delay. The time of delivery and/or of performance of the services shall only be extended if we accept such extension in writing or by fax transmission.

A delivery or performance of services prior to the agreed date shall only be permissible with our consent. We shall in any event not suffer any disadvantage by reason of such delivery or service; in particular, the period of payment (article 13) shall not commence and risk shall not pass prior to the agreed date. In the event the date of shipment is postponed, the contractor shall store the goods for a minimum period of three months at his risk and cost.

We shall further be entitled to visit the manufacturing plant of the contractor upon prior notice, to inform ourselves of the status of the work ordered and/or to take delivery at the plant of the contractor.

5. DELIVERY, SHIPMENT, ACCEPTANCE AND INSURANCE

The delivery (performance of services) and shipping shall always take place free of any charges at the expense and risk of the contractor, to the place of delivery determined by us ("DDP" - INCOTERMS 2000). We shall not accept cash on deliveries. The shipment is to be accompanied by a delivery note showing all particulars of the order. In case the delivery address is not an office of ABB, but a third party recipient (direct delivery), we reserve the right to deliver ABB delivery papers. In case of shipments with a price based on delivery ex factory, our shipping instructions shall be adhered to; otherwise, the contractor shall propose shipping instructions and submit them for approval.

The delivered goods shall be handed over to our authorised employees at the delivery address. Acceptance of the goods shall take place, with respect to quantity, upon arrival at the delivery address; however, acceptance with respect to quality and kind shall only occur upon processing or use.

The contractor shall properly insure the deliveries at his expense against loss and damage of any kind. Products subject to special requirements, such as the Austrian laws respecting chemicals, are to be properly classified, packed and labelled; the ÖNORM (Austrian Industrial Standard) safety data sheets prescribed by law are to be attached.

In case of the supply of technical facilities and equipment, our operating personnel is to be trained and instructed free of charge. In case of the supply of facilities and equipment to be installed by us or by third parties, the required assembly plans (including all connections, the pedestal design, if any, and the like) shall be enclosed with the acknowledgement of order.

All shipments are to be sent together with all data sheets, instructions for assembly and processing, and any references to any peculiarity of the material (especially in case of synthetics) as well as of the product. Likewise in case of shipments from abroad, German language labels shall be affixed; the operating instructions and manuals shall be delivered in the English and the German languages, in duplicate, respectively.

6. PACKING, WASTE, DANGEROUS WASTE

The goods shall be packed properly. The contractor shall in any case assume the risk and the cost of packing. An Austrian contractor shall use packing material, with respect to which he shall engage a third party for the purpose of being exempted from the obligation to take back the packing material within the meaning of the Packing Regulation 1996, BGBl. Nr. 648/1996, and shall supply us with all required information. According to the present ARA (Altstoffrecycling Austria AG) system, the contractor shall indicate the "ARA-Licence Number", "Packing Fractions" and their weights on the delivery note. If we agree that the contractor does not have to make use of third party services, the contractor shall forthwith pick up the packing material from the place designated by us, shall dispose of the same in accordance with the Packing Regulation, as amended from time to time, at his own expense, and shall indemnify us and hold us harmless with respect thereto ("self discharge"). The contractor shall advise us of the self-discharge already at the beginning of the business relations. We shall not be required to return or dispose of waste material, or to store the same. In case of default on the part of the contractor, we shall be entitled to dispose of the packing material, or have the same disposed of, at the contractor's expense and risk. If materials not cleared by ARA are disposed of by us by way of the ARA system due to lack of information which the Austrian contractor was under a duty to furnish, the contractor shall reimburse the entire costs incurred by us in connection therewith. The contractor shall take back for disposal, at his risk and expense, all items shipped and residue therefrom or remains thereof, which are to be classified as "waste" or "dangerous waste" according to their intended use.

7. DEFAULT, RESCISSION AND PENALTY

(1) In case of default in confirming the order (article 3) or default of delivery (performance of services) or of a partial delivery (partial performance of a service), or in case of delivery or services not in conformity with the contract, we shall be entitled, without prejudice to any further rights we may have, to rescind the contract in whole or in part, either immediately or upon providing an appropriate period of grace, or to demand performance of the contract on another date, without the contractor being entitled to any claims against us on such account, or to insist on the performance of the contract. We shall have the same rights if the contractor becomes unable to act. Inability to act shall comprise liquidation, bankruptcy, dismissal of a bankruptcy petition for lack of assets, filing of a voluntary petition in bankruptcy and failure to appoint duly authorised signatories for a period in excess of one week.

(2) In case of default we shall be entitled to demand, apart from delayed performance, a contractual penalty amounting to 1 % of the entire order value for each week or part thereof, or, apart from delayed delivery of documentation, a contractual penalty amounting to 0.5 % of the entire order value for each week or part thereof, up to a maximum of 5 % of the entire order value. We shall be entitled, in case of rescission of the contract by reason of default, to demand a contractual penalty amounting to 5 % of the entire order value. The sum of these contractual penalties shall be limited to 5 % of the entire order value. We shall always be entitled to demand such contractual penalty, regardless of the amount of the value of the order, even if we accept the delayed delivery or performance of services. We shall also be entitled to claim these contractual penalties if the contractor is not at fault. However, if the default is due to force majeure, the contractor shall be free from his obligations to pay the contractual penalty and damages for the duration of the operation thereof provided that he notifies us forthwith of such circumstances. Wildcat strikes and the fact that materials, workpieces or finished products turn out to be substandard goods shall not be considered to constitute force majeure.

8. PASSAGE OF RISK

Risk shall only pass to us following delivery of the goods or services to our authorised employees (article 5), and after the same have inspected and accepted the delivered goods or services at the place of the delivery address and have found them to be in good order and after the contractor has duly performed all collateral obligations such as supplying all required inspection certificates, descriptions, operating instructions and the like.

9. WARRANTY AND GUARANTEE

(1) The goods and services of the contractor shall be in accordance with the contractual stipulations, including statements and product information given by the contractor or the manufacturer regarding the goods (services), as well as with the general and special legal provisions applicable in Austria, e.g. provisions concerning the employees' safety, environmental protection and on the subject of safety measures, but also with recognised scientific and technical rules; in particular, the most recent technical version is to be supplied. The quality of the goods and services shall reach such standard as to enable us to fulfil the quality standard ISO 9001, which we have engaged to comply with. Furthermore, the provisions regarding the shipment of dangerous goods and dangerous waste, as well as special storage and operating instructions are to be observed; in this respect, the contractor shall exercise due care and provide all proper and adequate information.

(2) The contractor guarantees the flawless quality and completion or performance of the goods or services ordered and expressly warrants that the same will be free from defects during the warranty and/or guarantee period. This period shall be two years, subject to longer periods provided by law or agreement. In case of quality defects, the period shall not commence prior to processing or use or commencement of operation, however at the latest after the expiry of a three years' period as from the passage of risk (article 8).

(3) The contractor waives the defence that notice of defect was provided too late; payments shall not be construed to constitute a waiver of any warranty and/or guarantee claims. In case of a notice of defect or any other complaint we shall be entitled to a complete refund of the corresponding price. If on the basis of taking samples there are grounds to assume that the entire goods (services) are defective, the entire invoice submitted with respect to the defective goods (services) shall not fall due.

(4) We shall be entitled to choose from a reduction of the purchase price, free correction of the defect, free exchange, and in case of a material defect which cannot be corrected, to rescind the contract in whole or in part. Furthermore, we are entitled to obtain substitute goods (services) from another source in all cases following prior, written notification to the contractor and to debit the contractor for all costs resulting from this. The contractor shall upon our request forthwith replace defective goods with goods free from defects or to improve the same to the standard provided for by the contract. Should exchange or improvement be demanded, the warranty/guarantee period shall commence anew. Should the granting of a period of grace be necessary, a period of 14 days shall be considered appropriate. We shall be entitled to improve defects at the contractor's expense without providing a period of grace and without prejudice to our rights in any way.

(5) The delivery of goods (services) shall only give rise to a claim for payment if the same corresponds exactly to the order. In case of unjustified delivery of a greater or a lesser quantity or deviations in quality, the contractor shall reimburse us any expense resulting from additional controls, packing, return shipment or storage. The return shipment of goods not ordered, or goods in excess of the quantity ordered, shall in any event take place at the contractor's expense and risk.

(6) In case we rendered services – of whatsoever kind – to our customer due to the deficiency of the goods (services) delivered by the contractor, we shall have in any case an unrestricted right of recourse against the contractor. When rendering our respective services, we shall not be obliged to consult with the contractor regarding the kind of remedy to be chosen.

10. DAMAGES AND PRODUCT LIABILITY

(1) We shall in any case be entitled to unrestricted claims for damages and rights of recourse. Disclaimers of liability, or an obligation to provide for disclaimers of liability in the course of our relations with our customers, have not been agreed upon.

(2) In the event that the goods delivered have a defect within the meaning of the Product Liability Act, BGBI. Nr. 99/1988, and that a claim is asserted against us by reason thereof, the contractor shall indemnify us in full, and shall hold us harmless with respect to any loss or damage with respect thereto.

(3) The contractor shall furnish us with complete, but easily comprehensible instructions for use, shall keep all necessary documents and shall accurately observe his products; furthermore, he shall, if required, recall defective goods at his expense, forthwith deliver manufacturing records, and provide any conceivable assistance, as well as identify the manufacturer and/or importer within 14 days.

11. INSURANCE

(1) In the absence of any special agreements, the contractor shall be responsible for taking out the required insurance policies himself at his own expense.

(2) At the same time, the contractor definitely undertakes to take out business liability insurance, including product liability – in cases of pure planning services, also including planning liability insurance- with the following minimum levels of cover:

a.) Insured amount for injury to persons and damage to property as well as economic loss attributable to such twice the overall order value, at least, however EUR 2 million per claim event, or higher insurance agreed in individual cases;

b.) Insured amount for pure economic loss EUR 0.7 million per damage event;

c.) World-wide validity i.e. all countries (with the exception of USA and Canada);

(3) The taking out of the above mentioned or other insurance shall in no way limit the obligations and the liability of the contractor, even if the customer does not raise any objections against the insurance policies to be submitted by the contractor at the request of the customer.

(4) The insurance policies taken out by the contractor must include a waiver of recourse in our favour.

12. FIRE PROTECTION, EMPLOYEES' SAFETY AND ENVIRONMENTAL PROTECTION

In case in the course of contractual relations, the contractor carries out work in one of our plants, he shall forthwith request our regulations regarding fire protection, employees' safety and environmental protection, and shall comply with the same accurately and ensure that his employees and subcontractors comply with these regulations, too. The contractor shall be liable to us for any damage resulting from a violation of this provision.

13. INDUSTRIAL PROPERTY RIGHTS

The agreed price includes remuneration for the acquisition of all industrial property rights, in particular of patents, in so far as the acquisition of the same is necessary for the unrestricted use and resale of the goods sold. The contractor shall obtain any licenses in so far as the same are necessary. We shall be entitled to use free of charge any inventions of the contractor made in the course of the performance of our order. The contractor shall indemnify us and hold us harmless with respect to infringements of third party industrial property rights in connection with the goods or services ordered.

14. PRICING AND TERMS OF PAYMENT

(1) All prices shall be firm prices and shall be considered not to include VAT. According to article 5, the prices shall be deemed to be delivered, duty paid, at the named point of destination ("DDP" - INCOTERMS 2000).

(2) In case of payment within 30 days, we shall be entitled to a discount of 3 %; otherwise, the invoice amounts shall be payable within 90 days. Subject to our rights according to article 4, the periods of payment are to be calculated as from the day of receipt of an invoice in accordance with our conditions (in particular article 14); however, if the risk (article 8) passes to us at a later time, the periods of payment are to be calculated as from

the day of the passage of risk. The periods of payment shall not be triggered by invoices not in accordance with our conditions. We shall be entitled to pay, at our option, by way of remittance through a bank or the post office savings bank, by telebanking, by acceptance of a bill of exchange without charges to the contractor, or by cheque. Payment shall be considered to have been made in a timely manner if the remittance order, the acceptance of the bill of exchange or the cheque have been transmitted to the bank or post office within the period of payment, or if the telebanking order has been given within the period of payment, as the case may be.

15. INVOICING

(1) The invoice shall be sent to our address in a single copy (scannable), listing all order and delivery dates as well as the ARA license number, not including remittance slips, and the latter must be expressly designated as down payment or partial or final payment. In case there is no order number the invoice shall either contain the cost unit and the name and department of our project manager or the order number and the name and department of our project manager. Furthermore, the invoices are to be structured and arranged in the same manner as the orders. In case of work performed or installations or assembly work, time records confirmed by us are to be included.

(2) If our delivery contains the obligation of delivering a bank guaranty or a parent company guaranty, it should be sent to us at the time specified in our delivery or with the invoice at the latest.

(3) In case of a "reverse charge" situation according to art 19, par 1 lit a VAT Act the invoice has to be sent without VAT.

(4) Invoices not in accordance with our conditions shall be considered not to have been submitted and can be returned. In this case the agreed term of payment shall be suspended and shall start again with the sending of the new invoice.

16. TRANSFER OF CONTRACT, ASSIGNMENT AND SET-OFF

(1) The performance of the order shall not be transferred in whole or in part to a third party without our written consent. The contractor shall assign his claims against us only upon our written consent.

(2) We shall be entitled to set off our present and future claims against the contractor, as well as those of joint ventures in which we participate, and those of Austrian or foreign corporations within the ABB group, against claims of the contractor.

17. DRAWINGS, TOOLS AND MODELS, SECRECY

(1) The drawings, sketches, tools, aids, samples, models and the like, which we have made available for the performance of the order, or financed, respectively, remain or become our property upon being made, as the case may be. These items shall be immediately returned to us upon delivery (performance of services) or upon cancellation of the order (rescission of the contract).

(2) The contractor shall treat strictly confidential all information made available to him in connection with this contract, and all other trade and business secrets (such as plans, drawings, other records, and our know-how which is not publicly known) which have otherwise been disclosed to him, and shall contractually require the members of his staff as well as companies he has placed an order with, to comply with this obligation; in particular, he shall neither disclose this confidential information to third parties nor make it otherwise available in any manner whatsoever, nor use it for advertising purposes. The contractor shall only be allowed to make photocopies or carbon copies of records of any kind subject with our express consent. Press releases or other information in connection with the order may only be provided following our approval. We shall be entitled to rescind the contract in whole or in part in case of a breach of confidence.

18. DELIVERIES FROM NON-EU COUNTRIES

The contractor shall ensure the correct and legally effective drawing-up of the movement certificates necessary for the duty-free entry of the goods. The contractor shall be liable for all adverse consequences in the case of non-fulfillment the provisions of this article.

19. DISPOSAL OF OLD ELECTRICAL AND ELECTRONIC DEVICES

(1) If a contractor who has his registered office in Austria sells old electrical and electronic devices for commercial purposes, he shall assume the obligation to finance the collection and treatment of old electrical and electronic devices in the sense of the Old Electrical Devices Ordinance.

(2) A contractor who has his registered office in Austria must ensure that he fulfils all obligations, imposed on him as manufacturer/importer under the Waste Management Law and the Old Electrical Devices Ordinance in particular the obligations as per articles 11 and 24 of the Old Electrical Devices Ordinance correctly. The contractor must, in particular, ensure that no products supplied by him violate the prohibition of substances as per article 4 of the Old Electrical Devices Ordinance.

(3) The contractor shall be unrestrictedly liable for all damage and other financial disadvantages suffered by us as a result of the contractor not fulfilling financing and other obligations as per point 10 or not fulfilling these sufficiently. The burden of proof for the fulfillment of these obligations shall lie with the seller.

20. EMPLOYMENT AND MATTERS OF SAFETY

(1) The contractor engages to comply with the regulations of the employment law referring to foreign workers (Ausländerbeschäftigungsgesetz, BGBl. Nr. 218/1975). We are entitled to carry out checks on of the foreign workers employed by the contractor at any time and without prior notice. Upon our request the contractor has to remove immediately from the site and/or plant those workers who have been employed in violation of the regulations of the employment law referring to foreign workers (Ausländerbeschäftigungsgesetz, BGBl. Nr. 218/1975).

21. QUALITY AND SAFETY STANDARD

(1) The provision of performance by the contractor must be in accordance with the state of technology as of the time of provision, subject to adherence to the statutory regulations. The state of technology is the status of development of progressive technological procedures, facilities and manners of operation based on relevant scientific knowledge whose capacity for function has been tested and proven. When determining the state of technology, account must be taken above all of comparable procedures, facilities and manners of operation.

(2) The contractor must provide correspondingly experienced and qualified personnel for the performance of the services, who have demonstrably been instructed in safety matters prior to starting the work in accordance with the respective statutory regulations. Work materials provided by the contractor must conform to the relevant regulations and must be demonstrably subjected to a check by correspondingly qualified personnel at the envisaged regulation intervals. Envisaged protective fixtures must not be removed during performance of the work.

(3) For electrical works as from 14/06/2007, the contractor must provide exclusively electrical experts in possession of an aptitude certificate of special training for work with live voltage as per ÖVE EN 50110-1 section 6.3.2

(4) If the contractor also performs services for us on construction sites, the contractor must contact us in good time prior to starting the work for the purpose of carrying out the safety instruction. In addition, the contractor is also obliged to ensure that his employees working on the construction site always have the required personal safety equipment with them, that they wear this and use it during performance of the work. Furthermore, the contractors construction site manager must consult with us as to whether the performance of the work is to be carried out unchanged, i.e. in accordance with the contract documents, or whether alterations have been made. The contractor must ensure that there is no jeopardy for persons present on the constructions site.

(5) In the event of the above preconditions not being fulfilled for any reason, we reserve the right to take corresponding steps, in particular to have the persons contravening removed from the construction site.

(6) The contractor must in any case hold us harmless for any damages, of whatever kind, caused us due to failure to comply with the obligations above.

22. MISCELLANEOUS

(1) Any business correspondence is to be directed exclusively to our purchasing department or our employee in charge of the matter.

(2) On the papers intended for our receipt, such as bills of lading, railway car stickers, railway boxes, mail parcel cards, dispatch notes, delivery notes, packing lists, packing notes, invoices, change notices and the like, and in the entire correspondence, the following shall be indicated: order number, order date, position and description of the goods as well as the name of the employee in charge of the matter or the department concerned; in case of deliveries from abroad also the customs declaration or the customs tariff number of the goods.

(3) In case of deliveries from EU countries, the turnover-tax identification number is to be indicated. The contractor shall be fully liable to us for any adverse consequences due to the non-compliance of this obligation.

23. CODE OF CONDUCT

The contractor will observe the ABB Code of Conduct and assure that also his employees and subcontractors fulfilling the contractual obligations under this contract observe it. The Code of conduct is available under www.abb.at.

24. PLACE OF PERFORMANCE, JURISDICTION AND APPLICABLE LAW

(1) The place of delivery of the goods, and of performance of the services, shall be the delivery address indicated by us, or the place where the services are to be performed. The place of payment shall be Vienna.

(2) In case of legal disputes arising in connection with the contract, the substantive law of Austria shall apply. The place of exclusive jurisdiction shall be Vienna; we shall, however, be entitled, if we choose to do so, to institute legal action at such court which has local jurisdiction and jurisdiction in the subject matter, according to the applicable laws of the state in which the contractor has his place of business or residence.

25. SAVING CLAUSE

Should individual provisions of the present contract be or become invalid, the validity of the other provisions of the present contract shall remain unaffected. The contracting parties undertake to substitute this provision with a corresponding valid provision which corresponds as closely as possible to the purpose of the present contract.