

CONDITIONS OF SALES, DELIVERY AND PAYMENT (September 2007)

1. Acceptance of the Conditions of Sales and Delivery

Each and every order will be accomplished solely and exclusively in accordance with these Conditions of Sales, Delivery and Payment.

They also apply for future supplies and services. By placing an order, however, at the latest by accepting the delivery, the purchaser accepts these conditions expressively. Any other terms and conditions (e.g. Purchasing Conditions of the Purchaser) do not apply, even, if they have not been contradicted by us, but only, if and as far as they have been acknowledged by us expressively and in writing. Any deviations from our conditions and Sales and Delivery need to be agreed in writing. Any probable inefficiency of individual stipulations do not affect the effectiveness of the other terms and conditions.

2. Offer and Formation of the Contract

2.1 Our offers are free. Orders will be accepted only by our acknowledgement of the order, given either in writing or teletyped, which - in case of a delivery ex stock - can be given together with the invoice, or by our supply. Solely our acknowledgement of the order is relevant for the contents of the contract, if we not receive immediately a contradiction in writing.

2.2 Any collateral agreements and modifications of the contract need to be confirmed by us in writing.

3. Prices and Payment

3.1 Our prices are to be understood in the each applicable currency of the Federal Republic of Germany, plus the legal Value-Added Tax. Costs for special delivery, special packing, insurance and/or other auxiliary fees and charges will be invoiced separately.

3.2 The minimum net value of the order is EURO 75.--. For smaller orders a surcharge of EURO 30.-- will be invoiced.

3.3 As per § 284, Sect. 3 of the German Civil Code our invoices become due immediately and interest-bearing forcibly 30 days after receipt and this as per § 288 Sect. 2 of the German Civil Code with 8% in addition to the basis interest rate as per § 247 of the German Civil Code. However, the purchaser is permitted to prove that we have suffered no damage at all, or that our damage is considerably lower than the global amount. In case of payments within 14 days after receipt of invoice we grant a discount of 2% on the gross amount of the invoice (amount of the invoice). A discount will not be granted, if default of payment of former invoices being due is given.

If the value of the goods exceeds the amount of EURO 10.000.--, our invoices are payable without any reduction at the place of payment stated by us in the following way: 1/3 of the amount of the invoice as down payment at receipt of the acknowledgement of the order, another 1/3 of the amount of the invoice at notification of readiness of delivery and the last 1/3 after delivery, where regarding immediate maturity of each partial amount applies in the meaning of § 284 Sect. 3 of the German Civil Code and the interest-bearing as per § 288, Sect. 1, Sub-Sect.1 of the German Civil Code. As far as they are stating partial amounts, the acknowledgement of order, the notification of readiness of delivery and the delivery note are equivalent requests for payment in the meaning of § 284 Sect. 3 of the German Civil Code.

3.4 We reserve the right of accepting bills of exchange. For Payments by cheque or by bill of exchange, the debt of the purchaser is deemed to be settled only by irrevocable cashing by the drawn bank.

3.5 Any retentions of payments or any set-off by counterclaims of the purchaser are not allowed, if they have not been acknowledged by us or been stated legally.

4. Delivery

4.1 The goods are travelling on the risk of the purchaser, independently of the way of delivery and taking-over of the forwarding expenses.

If delivery or collection by the purchaser is delayed due to circumstances for which the purchaser is responsible, risk will pass to the purchaser by notification of the readiness for delivery.

4.2 If not otherwise specifically agreed, the delivery times stated by us are not binding. The time of delivery will begin at sending of the acknowledgement of the order, however, not before the complete technical clarification and of provision of the information, permissions and/or releases to be supplied by the purchaser, as well as before receipt of an agreed down payment. The delivery time is deemed as respected, if until its expiration the object of delivery has left the works or if readiness for delivery has been notified.

4.3 The non-compliance of agreed delivery times and the impossibility of performance entitle the purchaser - after an appropriate extension of time of at least 4 weeks - to withdraw from the contract. All other and further-reaching claims of the purchaser, in particular any claims on indemnification of damages of any kind, including even those which have not been caused by the object of delivery itself, are excluded. This exclusion of liability does not apply in case of intention or of gross negligence.

4.4 All facts being beyond our possibilities of influence, as for instance: strikes, riots and lock-outs, impeded supply of raw and/or of auxiliary materials and/or fuels, legal measures at our site or at the site of our sub-contractors will relieve us from that part of the obligation of delivery which cannot be accomplished, either for the period of impedance or finally, as per our own choice, and the purchaser will have no rights on claims against us because of the withdrawal. If the delay will exceed a period of 2 months, then, the purchaser will have the right on withdrawal from the contract, as far as the quantity is concerned which is affected by the delayed delivery. The purchaser will not have any further claims.

4.5 For orders whose compliance is consisting of several supplies, a non-compliance, an imperfect or a delayed compliance of a supply will not affect other supplies of the order. Partial shipments are admissible.

4.6 In case of special designs of nozzles, the quantity being ordered cannot always been observed, due to reasons of production techniques and due to the related risks of defective rejects. Therefore, we reserve the right of insignificant increased or reduced supplies and of corresponding invoicing.

4.7 Packing materials will not be taken back.

5. Protective Rights and Tooling

5.1 We reserve the right of property and the copyright on proposals for application and/or use, on designs or on drawings and on other documents. They are only permitted to be made accessible to any Third Parties with our consent and are to be returned upon our request, where the party being committed to return them, will assure to have destructed any copies they might have produced.

5.2 If any products have been supplied which had been made on the basis of drawings, samples or of other documents provided by the purchaser then, the purchaser will bear the risk that no protective rights of any Third Parties will be infringed.

6. Reservation of Property Rights

6.1 We reserve the property right on the object of supply until compliance of all claims against the purchaser. The purchaser will only be entitled to sell, to process, to mix or to assemble the goods being under property right within the frame of his orderly normal commercial activities.

6.2 For reasons of security, the purchaser hereby assigns to us his future titles against his customers, arising from his own sales including all collateral agreements, without that any further declaration is required, and this assignment applies independently of the fact, that the object of supply has been sold to any Third

Parties, without or after processing, mixing or assembly. If the goods being under property rights are sold together with other objects, without agreement of an item price for the goods being under property rights, then, the purchaser will assign to us under priority over the remaining titles the amount (VAT included) which corresponds to the value of the goods being under property rights. We hereby accept this declaration of assignment.

6.3 A processing or a transformation of the object of supply will always be provided by the purchaser for us, without creating any obligation for us; we are the manufacturer in the meaning of § 950 of the German Civil Code. In case of a processing, of a mixing or of an assembly of goods being under reservation with other goods not being our property, we acquire - in accordance with §§ 947 and 948 of the German Civil Code - the joint proprietorship in the new object, prorata to the invoiced value which the object of supply has in the other objects at the time of mixing; if the purchaser will acquire the sole proprietorship, then the contractual partners agree, that the purchaser will assign us a joint proprietorship in the new object pro rata to the invoiced value of the goods supplied by us and that he will hold them in trust and free of charge for us. The purchaser will also assign to us those titles to secure our titles against him, which he will have against any Third Parties by mixing or combining the object of supply with a real estate.

6.4 If goods are sold, in which, after processing, combination or mixing we have a joint proprietorship, then, the advance assignment will cover a part of the title equivalent to the value of the invoice for our processed, combined or mixed goods.

6.5 We are entitled to take possession of the goods being under property rights, if the purchaser will fail to perform duly the claims arising from the business relation and existing against him. The request for return or the taking possession will not mean any withdrawal from the contract, if the terms of the Law of Consumer Protection of the German Civil Code do not apply and if we have not declared our withdrawal from the contract expressly and in writing. Seizure of the object of supply will always mean a withdrawal from the contract.

6.6 Until our revocation, the purchaser is entitled to collect assigned titles. This authorization of cashing-in will also expire without our expressive revocation, if the purchaser fails to perform his obligations to us, or if he will get into decay of assets, in particular, in case of a suspension of payments or, if an application on proceedings of insolvency on the assets of the purchaser is filed. Upon our request, the purchaser has to give us those information about the assigned title which is necessary for collection, to transfer relevant documents and to disclose the assignment to the debtor.

6.7 The purchaser is neither entitled to pawn the goods being under property rights nor to provide any protective conveyance. Prior to a seizure, to a distraint or to any other disposition by Third Parties, he has to notify us immediately thus allowing us to bring an action of a third-party-contradiction. As far as Third Parties will not be in a position to return us judicial or extrajudicial expenditures of an action of a third-party-contradiction, the purchaser will be liable for our damage caused hereby.

6.8 If the value of all the securities existing for us will exceed our titles in total by more than 20%, then - upon request of the purchaser - we are committed to release securities as per our own option.

7. Claims arising from Defects

For our supplies and services we take warranty and liability only in accordance with the following terms:

7.1 We give warranty that our products are free from any defects for the period of one year, as from delivery. Thereby, however, we warrant post-compliance for non-insignificant defects in kind, by remedying the defect, respectively by supplying an object free from any defect. Permitting us to provide the actions to remove the defects, the purchaser has to grant us the necessary time and opportunity, otherwise we are free from any liability for defects. Only in urgent cases, if the safety of the working conditions is jeopardized or to prevent unreasonable high damages - in those cases we have to be notified immediately - or if we come in default of post-compliance, then, the purchaser will have the right to remedy the defect by himself or by Third Parties and to request from us refund of the relevant costs. From immediate costs arising by a post-compliance, we will bear the costs for the piece of replacement including shipment. Further costs will be borne by the purchaser. Replaced parts become our property. If the post-compliance should fail, if we reject

a post-compliance, or if we ignore culpably and fruitlessly an appropriate extension of time for the post-compliance of at least 4 weeks, the purchaser will have a right on annulations of the contract or on reduction of the purchasing price.

7.2 Our indications stated in offers, leaflets and further literature describing the object of supply or of service, the use and/or application (e.g. dimensions, weights, values of function etc.) are descriptions and characteristics, not however promises of properties and conditions in the meaning of § 434,1 of the German Civil Code.

We reserve the right of technical modifications on our products. Insignificant deviations from samples or from former supplies or any other indications, if they will not affect significantly the contractually granted operational capacity, do not give reason for any claims on warranty. The purchaser as the distributive partner undertakes the obligation to advertise in an appropriate manner for the contractual products. The distributive partner is aware of the fact, that incorrect characteristic- and property-related advertisement might lead to claims of warranty. He undertakes the obligation to exempt us from the consequences of such an advertisement and to replace us any damage which will arise us from the infringement of this obligation.

7.3 A defect for which we will not be responsible is especially given in the following cases: Inappropriate use of the object of supply or a use other than contractually agreed; excessive strain (e.g. by faulty operational conditions); wrong assembly or commissioning by the purchaser or by Third Parties; faulty or negligent treatment (e.g. by wrong storing or by improper fitting); use of unsuitable fuels; modifications of the object of supply which are not authorized by us, in particular by fitting foreign elements, insufficient conditions and preparations at the site of fitting/assembly; wear usual to work or to product, as well as influences of process techniques, chemical or electrical influences, if they have not been caused by us.

7.4 In any case, the legal duties of examination and of complaint apply to our supplies and services, as well as the statutory periods of limitation. If dispatch, erection or commissioning will be delayed without our fault, then, in any case, the legal period of warranty will already begin at transfer of the risks. The period for the limitation of the claims arising from defects at the object of supply will be extended by the time of interruption of work caused by the post-compliance.

7.5 Beyond the regulation stated under cipher 7.1 above, any further claims, namely claims for damages of any kind and regardless of their legal reason, also due to a fault at formation of the contract, positive infringement of the contract and unauthorized action are excluded. This exclusion of liability does not apply in case of a lack of properties which are expressively guaranteed, if namely such a guarantee had been intended to provide security for the purchaser against damages which did not arise at the object of supply itself. In case of only a negligent infringement of duties by us or by our agents, our liability is limited to the contract-typical foreseeable damage.

The above regulation of liability will also apply to our consulting in word and in writing and given by technical tests or in any other way; in particular the purchaser will not be released from verifying by himself the suitability for the intended purposes of application.

8. Place of Performance, Place of Jurisdiction and applicable Law

8.1 Place of performance for our supplies and services will be the place from where supply will be provided or be rendered. For all payments (also by bills of exchange or by cheque), the place of performance will be D-96253 UNTERSIEMAU.

8.2 If the purchaser is a full businessman, a juristic person/legal entity of public right or an entity of public special assets, then, for all rights and duties of both the contractual partners arising from business transactions of any kind, the Court being competent for the case and locally for D-96253 UNTERSIEMAU will be the place of jurisdiction.

8.3 Solely the Law of the Federal Republic of Germany will apply under exclusion of the uniform purchasing laws. This will not apply, if the purchaser has his legal place of business not in the Federal Republic of Germany.