



Terms and Conditions of Export Sales of ILUDEST Destillationsanlagen GmbH

1. Prices

All our prices have to be understood in EUR and are, without any opposing notice, EXW Waldbüttelbrunn (INCOTERMS 2000), whereas packing, freight, insurance, taxes/duties and installation are excluded.

2. Delivery time

a) The delivery time given with our offer is an approximate figure. Exact delivery schedule will be advised at time of order placement with our official Confirmation of Order. Although we will do our utmost to deliver on this schedule, a deviation shall not form the basis for contract withdrawal or penalty payments.

b) We are not bound to meet our liabilities in case of force majeure, interruption of production, lack of material or similar events. In all cases we reserve the right for delaying delivery.

c) We reserve the right for partial shipments.

3. Warranty

a) We provide an one year warranty from date of invoicing for correct operation of the delivered system and component. The warranty is restricted to those defects which do not result from natural wear and tear, or inappropriate operation or mistreatment of the system. Warranty does not include lamps, displays, printer ribbons, paper, floppy disks or other consumable items or parts considered to be inappropriately worn.

b) After that, the warranty period mentioned above, is in general not valid for the glass components of our process systems. This is due to the fact, that our engineers normally have done the installation and the start-up procedure, whereby all maximum operation set points of the system have been reached. Upon this procedure and in case of any complication, a warranty for such an equipment can only be granted upon an immediate consultation of our material specialists and their assessment.

c) Any claim by the buyer which is based on short delivery, non delivery or any defect in the quality or condition of the goods or their failure to correspond with specification shall be notified to us within one week from the date of receipt of the consignment. If the buyer does not notify us accordingly, the buyer shall not be entitled to reject the goods and ILUDEST shall have no liability for such defect or failure, and the buyer shall be bound to pay the price as if the goods had been delivered in accordance with the contract.

d) We shall not indemnify the customer for any consequential liability, including working expences or for any damage or injury that may occur to any premises or person, caused by using systems or parts which are defective, inappropriate operated or non-treated.

e) We shall not indemnify the customer for consequential damages as a result of any product imperfection.

4. Documentation

All necessary operating instruction manuals will be provided in English.

5. Spare Parts

Are available within the shortest time from our stock or production facilities. However, where uninterrupted operation is essential, we strongly recommend purchase of our spare part kits, available upon request.

6. Payment

Payment of our invoices to be made within 30 days after the date of invoice net. If payment is made later, the usual bank interests will be invoiced by us.

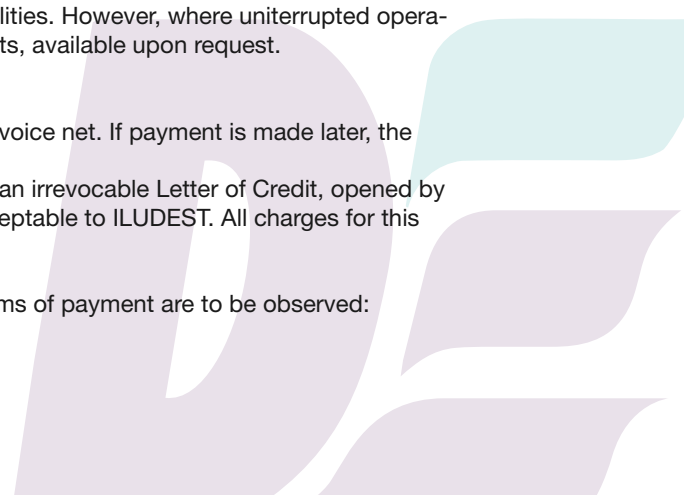
For higher contract values we reserve the right, to ask for payment by an irrevocable Letter of Credit, opened by the buyer in favour of ILUDEST and confirmed by a German bank, acceptable to ILUDEST. All charges for this L/C have to be for the buyer's account.

When an order exceeds the amount of EUR 50,000.-, the following terms of payment are to be observed:

1/3 of the amount to be paid with order, net

1/3 of the amount to be paid when the plant is ready for shipment, net

1/3 of the amount to be paid 30 days after date of invoice, net





If the buyer fails to make payment as agreed then, without prejudice to any other right or remedy available to us, ILUDEST shall be entitled to:

cancel the contract or suspend any further deliveries to the buyer, and/or

charge the buyer interest (both before and after any judgement) on the amount unpaid, at the rate of 5% per annum above the European Central Bank's Basis Rate.

We reserve the right at any time at our discretion to demand security for payment before starting with the contract or delivering the goods.

7. Specification

Due to a continuous programme of product development and improvement, we reserve the right to change specifications without notice.

8. Ownership

Right of ownership shall remain with ILUDEST, until all invoices associated with the goods are paid in full.

9. Opposing Conditions

The stated conditions of ILUDEST shall override any other contract of purchase. No other conflicting Terms of General Business apply. No buyer's terms of purchase shall bind us unless confirmed by us in writing.

10. Acceptance of Orders

All orders received shall be placed in accordance with these terms and conditions of export sales and are subject to our written confirmation.

11. Special Agreements

All special agreements, verbal or by telephone as well as subordinate agreements shall not be binding unless confirmed by us in writing.

12. Shipment

Costs for packing and freight are added to the price. Unless we are specifically instructed otherwise, goods will be not insured against loss or damage in transit. Costs for the insurance will be charged to the buyer's account. Choice of the most favourable transit method is at our discretion.

13. Risk

If we are not instructed by the purchaser to insure the goods, then the goods shall be at the buyer's risk at the time they leave our works in Waldbüttelbrunn particularly at the time they are forwarded to the carrier even in case where prepaid freight was agreed upon.

14. Miscellaneous

a) Orders

Upon order placement, the following information is required:

- * Shipping mark (if necessary) and preferred mode of delivery
- * All information necessary for consular declaration etc., if any

b) Power supply

When electrically operated or controlled devices are ordered, the buyer is asked to indicate all power supply details. The right is reserved to adjust prices where devices are ordered which do not have a power supply of either 230 V / single phase, 50 c/s or 230/400 V / 3-phase, 50 c/s!

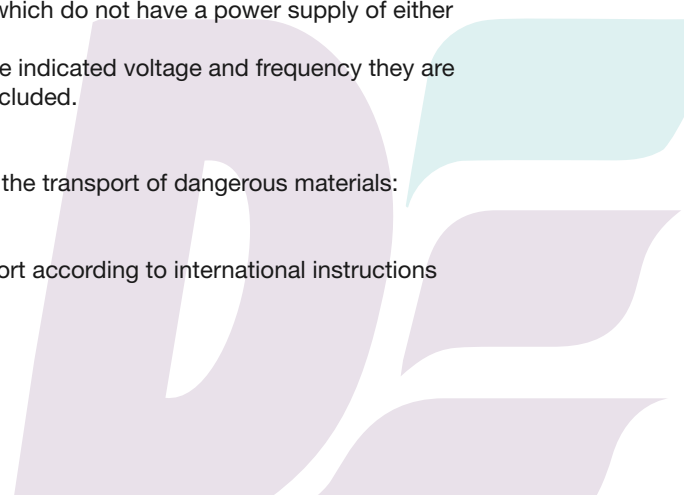
In case devices are connected to a power supply which differs from the indicated voltage and frequency they are designed for, liability for any resulting losses, damages or injuries is excluded.

c) Dangerous Materials

The buyer is asked to consider the problems, which may occur during the transport of dangerous materials: magnetic materials, devices containing aerosols or mercury.

In these cases we reserve the right to choose the safest way of transport according to international instructions and charge packing/freight costs.

All our consignments will be packed suitable for Airfreight.





15. Test and Installation

A quality assurance test will be done at our factory prior to shipment. Installation and commissioning of our systems on the buyer's premises are to be carried out by our engineers if required. The costs for that service will be charged to the buyer's account. In case the installation is included in our deliveries, then our conditions for installation will become part of the contract.

In case of any delays which may occur on-site during installation and commissioning and which are beyond the responsibility of ILUDEST or its agent, the costs for the necessary waiting period and/or additional travelling expenses will be charged to the customer. If commissioning is delayed by the purchaser for a period exceeding 30 days after delivery or the date agreed in the contract for commissioning, then any outstanding payments for commissioning set up or payments which depend on completing commissioning, will become payable immediately.

16. Documentation

Cost estimates, drawings and other documentation remain our property. This data may only be used for the performance of the corresponding order and may not be available or be handed over to a third party. All these documents are our literary property, they may be claimed back by us in case the order is not placed.

17. Software

The programme and corresponding documentation, which we place at the buyer's disposal, are intended for the buyer's internal use for the delivered ILUDEST product. The buyer is to ensure that these programmes and documentation will not be made available to third persons without prior written consent.

Copies may only be made for record, replacement or trouble shooting purposes. In case the originals have a copyright note, the buyer has to affix this note to copies too.

18. Trademark Rights, Tools, Secrecy

We reserve the property and all trade-mark rights and copyrights for our models, samples, figures, technical documentation, cost estimates and quotations. The buyer may neither produce nor have produced the objects of agreement without our written consent.

19. Voidness

If some stipulations of those terms of sales are void or become void, the effectiveness of the remaining terms will not be touched. In this case the void stipulations shall be replaced by a regulation which is compatible with the other terms of sales and which come closest to the economical objectives of all parties.

