

FLUID-O-TECH s.r.l.
GENERAL CONDITIONS OF SALES

1. GENERAL

In addition to the clauses, terms and conditions set forth in the offers, acceptances of orders and invoices of Fluid-o-Tech s.r.l., established in Via Leonardo da Vinci, 40 20094, Corsico - Milano - Italy, (hereinafter the "Seller") the following General Conditions shall govern any sale of goods (hereinafter the "Sale Contract") with any customer (hereinafter the "Buyer").

2. DELIVERY

The place of delivery shall always be Seller's stores, even if sales are effected free destination or otherwise.

The terms of delivery are purely indicative. The Seller shall, to the best of his ability, observe the time of delivery agreed upon, but any delay shall not entitle the Buyer to claim cancellation or indemnification for direct or indirect damages, subject, however, to Buyer's right of cancellation if such a delay exceeds a period of three (3) months after notice of default by registered mail.

Delivery is deemed to have been made for all purposes and intents when goods are collected by the carrier at the Seller's store or are placed there at Buyer's disposal. Thereafter all risks and expenses are to be borne by the Buyer as shipments are made on behalf and at the risk of the Buyer also when the transportation costs are for the account of the Seller.

If any delivery is effected in parts, each partial delivery shall be considered a separate transaction with all related legal consequences.

Weighing and sampling (should this be done) shall be carried out at Seller's stores and shall be binding. Buyer or his representative shall have the right to attend if he timely notifies Seller to this effect.

A Sale Contract in which the times of delivery are not specified, or specified inaccurately, or in which other specifications are lacking, shall not be binding upon Seller until he has accepted in writing the times of delivery and/or specifications yet stated by Buyer. Buyer shall submit to Seller his proposals with regard to these specifications not later than at least one week prior to the first delivery required by him.

If no agreement is reached with regard to these proposals, Seller shall be entitled either to cancel the Sale Contract or to deliver the Sale Contracted quantities in approximately equal lots and at approximately equal intervals over the remaining part of the delivery period.

3. COSTS AND VARIOUS ACCESSORIES

Any and all taxes, levies, testing costs, packaging and transportation costs of the goods from the Seller's stores to destination, stamp duty on drafts and promissory notes and in general any and all present or future costs in connection with the Sale Contract are to be borne by the Buyer.

4. SHIPPING

Seller shall provide for the shipping of the goods, unless otherwise agreed upon, under consignment note or Bill of lading made out in the name of Seller, unless stated otherwise by Seller.

In the case of delivery free destination only the costs of freight up to the place agreed upon shall be for Seller's account. All further costs and expenses shall be for Buyer's account.

Buyer shall inform Seller in writing of the forwarding addresses not later than one week before the time of delivery agreed upon.

Should Buyer fail to do so, he shall be legally in default without notice to that effect being required, and any ensuring expenses shall be for account. If even at the ensuring expenses shall be for this account. If even at the time of delivery agreed upon Buyer should not have informed Seller of the forwarding address, Seller shall be further entitled, without prejudice to the stipulations under 23, to store the goods delivered at the time in accordance with 4 in Seller's stores or elsewhere for Buyer's risk and account and/or to send them to Buyer's office address. Loss of quality or weight or any loss in value whatsoever in consequence of the storage and/or transport shall be for Buyer's account.

Seller shall choose, to the best of his knowledge, the route and means of transport whilst being held harmless from any claims on Buyer's part in regard of carelessness in this matter.

The transport risk from the place of delivery shall be entirely for Buyer's account, even if delivery is free destination, so that Seller shall not be liable for any damage that may arise during the transport. Unless explicitly agreed otherwise, Seller shall effect an insurance, however, for the risk of transport, except war risk, for Buyer's account and risk.

5. LOADING

Filling or loading of packing material and/or means of transport supplied by Buyer shall be done entirely under Buyer's responsibility - except in the event of malice or gross negligence on the part of Seller - even if filling or loading, or any other work, are done by Seller and/or if Seller advised on the material and means.

Seller shall be entitled to refuse to fill or load any material and/or means that do not, in Seller's opinion, comply with the safety requirements or with the statutory rules/regulations.

In case of such refusal, Seller shall not be liable for the consequences thereof.

6. PAYMENT

Unless explicitly agreed otherwise, payment shall be made promptly on the due date mentioned in the invoice without any discount, deduction or set-off by Buyer being permitted, by means of an irrevocable Letter of Credit issued by or confirmed by a primary Italian Bank within 30 days from the confirmation by Seller of Buyer's order.

If no payment has been made on the due date, Buyer shall, without prejudice to Seller's other rights, have to pay interest on the amount due as from the said date at an annual rate which is three (3) points above the highest official discount rate for permission notes of the central Bank of the country in whose currency the invoice has been denominated.

In addition, all amounts owing by Buyer to Seller for whatever reasons shall be payable at once.

Whenever a means of payment other than the L/C is agreed upon, if, in Seller's opinion, the credit granted to Buyer is too high, Seller shall at any time be entitled, before forwarding the goods, to demand either payment or such security as he may consider necessary to ensure due fulfilment of Buyer's obligations under the Sale Contract.

7. CANCELLATION

Seller shall be entitled to immediately terminate the Sale Contract with Buyer if:

(a) Buyer fails to observe provisions under 6 and 7. The mere non-observance or late observance of his obligations by Buyer shall suffice for Buyer to be considered in default without notice to that effect being required. Seller shall then be entitled to receive full indemnification and to receive payment for the goods already delivered by him;

b) Seller should be prevented from delivering on the date agreed upon owing to circumstances beyond his control including, without limitation, government measures, lock-out, strikes, occupation of business premises, fire, explosion and non-availability only on less favourable terms of raw materials and means of conveyance.

Without prejudice to the other stipulations contained herein, Seller shall be entitled, in case Buyer fails in regard of his obligations to pay, or if serious doubts should arise as regards his solvency, immediately to withhold further delivery until the amount due, including any interest as provided under 6, until Buyer has yet given such security as Seller may consider adequate to ensure due fulfilment of Buyer's prior obligations arising from current Sale Contracts.

8. COMPLAINTS AND LIMITATION OF LIABILITY

Buyer is held to check whether the goods delivered to him are consistent with his order specifications before using these goods.

Any complaints shall be communicated to Seller in writing as soon as possible, but in any case within 14 days of arrival of the goods.

Buyer's failure to communicate these complaints within this period, as well as his use of the goods delivered, shall constitute an unconditional acceptance of the goods delivered.

If at the time of acceptance of the goods by the shipping or railway company or by any other carrier, the Bill of Lading, consignment note or receipt does not bear a remark concerning packing, this shall be considered as evidence that at the time of delivery by Seller the packing was sound and undamaged.

To the exclusion of all rights of Buyer to indemnification and/or cancellation of the Sale Contract, Seller shall, if a complaint appears to be well-founded, be entitled either to claim that Buyer keeps the goods at a suitable reduced price, or to make redelivery free of charge as soon as possible. In the latter case the goods delivered first shall, at Seller's request, be returned immediately. In no case Buyer shall have the right, on account of a complaint, to postpone any payment or to make deductions from the amounts due by him. Pending the investigations of a complaint, Seller shall have the right to suspend further deliveries until a satisfactory solution has been reached, in which case the original delivery period shall be extended accordingly.

The Sellers guarantee that the goods shall work according to their technical specifications for one year from delivery.

The goods are however sold without any undertaking or guarantee by Seller in respect of their processing and application possibilities.

Seller shall not be liable for any direct or indirect loss or damage connected with the use of the goods, including without limitation loss of profits, occurring by whatever cause and at whatever time and, in any event, any liability shall not exceed the value of the relative goods at the moment of the sale.

Buyer shall hold Seller harmless from any third party claims. Buyer shall not return the goods delivered without Seller's prior consent.

9. INFORMATION

Seller's information regarding the use and application of his goods has been derived from experiments that were deemed reliable. Seller does not, however, guarantee the correctness of the data supplied, nor can he be held liable for loss or damage as a consequence of the information supplied.

10. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed exclusively under the laws of Italy.

11. BUYER'S CONDITIONS

Deviations from these General Conditions of Sale shall be valid only if agreed upon in writing. Buyer's purchase conditions shall not be recognised insofar as these have not been accepted in writing by Seller.

THE SELLER:

THE BUYER:

The undersigned does hereby declare to specifically accept the contents of paragraphs 2 (late delivery), 6 (cancellation), 7 (limitation of liability).

THE BUYER: