

Villforth Siebtechnik GmbH

Sales, Delivery and Payment Conditions No. 2 of Villforth Siebtechnik GmbH

I. Area of Application

All our deliveries and work services, including those of future deals, are solely accepted under the conditions mentioned hereafter. Divergent terms of trade of the customer are not obliging to us, even if we do not contradict them strictly.

II. Quotations

1. Our offers are always subject to minor alterations. A contract only comes about by our written confirmation of order.

2. Supplementary agreements, additions and alterations, as well as agreements repealing this clause of writing mentioned in section I. need our written confirmation.

III. Samples, Drawings and Blueprints

1. Samples of material, form and fabric, reproduction drawings and outlines are only roughly decisive for the finishing.

2. The purchaser is supposed to examine the samples carefully upon all essential and demanded qualities. All samples are then to be returned to us with written consent. Corrections are to be mentioned in writing if necessary.

By accepting our finishing presentation these become the basis of our contract. Any mistakes or errors after accepting our finishing presentation are at the sole responsibility of the purchaser. If the finishing presentations should deviate from the order we are not liable for these deviations.

3. The seller is released from any responsibility for consequences which can appear from the fact that the buyer has indicated incomplete or inaccurate information about sizes or other technical data. The ordered machine covering is produced in a manner that after entrance on the machine under normal tension the fabric will be within the specified minimum and maximum length.

4. Samples are to be considered as type samples. The seller is not taking any guarantee or liability for an absolute equality with the sample when delivered. We reserve ourselves the right for minor alterations. Only essential deviations of the sample, which will make a usage of the product in the contract manner impossible, can be accepted as shortcoming.

5. Goods ordered, which have been manufactured or are in the process of being manufactured, can not be annulled by the customer anymore without complete compensation. The purchaser is aware that all products are independent, tailor made makings which are being manufactured according to the purchasers orders. Therefore any resale of the product in progress or completed to an other customer is impossible.

IV. Deliveries

1. Delivery is being made according to our delivery conditions stated in our Quotations, Pro Forma Invoice or our Order Confirmation. Incoterms – latest edition – are agreed to.

Packaging, means of transportation and transporting routes are being determined according to one's best judgement. Special requests of the customer regarding packaging and transport can be taken into consideration, a separate calculation may have to be considered. Transporting the goods is always, even when delivering without freight charges, at the risk of the purchaser. An additional insurance for transporting the goods can be obtained through us for the purchaser, however we are not subjected to compulsory insurance.

2. Delivery dates are only binding when confirmed in writing.

3. As a rule, delivery deadline begins only when the purchaser has submitted entirely all documents which need to be presented from him.

4. Any claims for compensation are generally excluded, provided that they are not based on intention or coarse negligence of us, our lawful representatives or our fulfillment assistants.

5. Breakdown, even of our suppliers, caused by general shortages of raw material and energy, traffic hold up, official intrusion, strikes, mobilization, lock-outs, fire or other causes whatsoever beyond the control of the seller will release the seller from promised delivery dates and any liability for claims.

6. If the scheduled orders are delayed for the reasons the purchaser has to account for, we are entitled to charge the goods and to charge stock money in the amount of 0,5% of the amount of invoice for each month started. Any delays longer than 6 months we are entitled to stock the fabric at a third party on the expenses of the purchasers. If the purchaser is changing the size or date of delivery of a given order belated, we as sellers, are entitled to charge any revolving expenses.

7. If reasonable for purchaser partial deliveries are permitted.

8. Any packaging of fabrics of corrugated board for transport reason, including board packing roll, are to be considered non-returnable. It is impossible for us to take this packaging back. This packaging has been produced by companies belonging to RESY-GmbH, which guaranty taking back these products.

Wooden boxes and wooden or aluminum poles as well as metal and plastic pipes remain in the possession of the seller and have to be returned in the transporting box. Return will be handled in the same matter as full delivery, freight charges for returning are at the expenses of the purchaser. (Deliveries going overseas will be handled individually).

9. Disposition of ordered fabrics has to take place no later than 6 months after order receipt. Call for fabric has to follow no later than 9 months after completion of fabric. After that automatic delivery will take place.

10. The shipment has to be inspected immediately after receipt. Any recognizable defaults of the fabric have to be reported to us immediately. Until matters are clarified the fabric is not to be used and to be made assessable for us. Any good damaged or lost in transit the haulier is to be made liable in writing. Facts of the matter have to be presented to us in writing immediately.

V. Prices

1. Our prices are understood without taxes.

Handling charges, fees, taxes and expenses for certificate of origins, invoices for consulates which are being raised outside the Federal Republic of Germany, are always at the expenses of the purchaser.

2. Should there be a difference in prices between accepting the order confirmation and delivery date we are entitled to adapt prices with additional wages, material or other cost increases according to legitimate proof.

3. Any changes in regards to size or delivery date by the purchaser after official order confirmation entitles seller to charge revolving costs to purchaser.

VI. Payment Conditions

1. All of our invoices are to be paid 8 days after receipt with 2% cash discount or 30 days net, if not stated otherwise. (Any packaging fees or transportation fees mentioned separately are except from cash discount) The purchaser will get in default with payment latest 30 days after payment aim.

2. Bill of exchanges are only accepted as a mean of payment after special agreement and are excluded from cash discount. Interest or expenses for discount or collection are the responsibility of the purchaser and to be paid immediately. We can not be held liable for punctual presenting before the house, protestation, notification and leading back.

3. Arrears in payments will be charged in the amount of 2% over the discount rate of the Deutsche Bundesbank, but no more than 8%. We reserve the right to enforce any delays in assessment of damage.

4. If an essential deterioration of the financial circumstances of the purchaser becomes known after confirmation of order, we are entitled to require immediate payment of all open bills, without taking into consideration maturity and pre-payment for not yet supplied goods. Further deliveries can be made dependent on the complete removal of the arrears. This also applies if the purchaser performs no payment in spite of reminder. In addition, we are entitled to refuse our performance if we must fear not to receive the service in return in time and in full unless the purchaser will perform the service in return or will provide sufficient security.

5. If the purchaser is a businessman in the sense of the HGB and the contract belongs to the enterprise of his trade we are entitled to request due interest to the amount of 5% p.a., without requiring a previous reminder.

VII. Compensation / Right of keeping back

1. The compensation with undisputed, not validly and not counterclaims ripe for decision of the purchaser is expelled. If the purchaser is an entrepreneur and acts by conclusion of the contract in exercise of his commercial or independent professional activity, his notice of defect neither affects payment obligation nor maturity.

2. The purchaser renounces the exercise of his performance refusal or keeping back right, unless, we or our legal representatives or fulfillment assistants will cause coarse breaches of the contract or the performance refusal, or keeping back right to underlying counterclaims of the principal are undisputed, valid or ripe for decision.

VIII. Retention of title

1. All rights of the goods remain vested in the seller until full settlement has been effected (payments by cheque or bill of exchange until their redemption). Purchaser is responsible for insuring our property or joint property effectively against destruction, fire, loss, damage or any other interference. Any claims against insurance companies revolving from this are herewith transferred to us.

2. In case of a connection of our goods with other goods we are entitled to a joint ownership of the new matter, according to the extend of our delivery price.

3. The purchaser can only sell goods that are our property or joint property after consulting with us. If a sale of our property or joint property is taking place, whether with or without our consent, demands concluding of this sale have to be transferred to us in the extend of our delivery price. All rights to the goods, as well as any damage claims, remain reserved in our interest.

4. The purchaser has to inform us immediately in writing under delivery of the documents necessary for an interference of imminently or carried out accesses of third parties to the reservation goods or to possibly resigned demands. Any interference expenses, including also any possible legal costs, belong to the inside relation between us and the purchaser and will be covered by the purchaser.

IX. Proprietarily on samples, drawings and blueprints

Drawings, sketches, pattern, models, samples or similar objects, which we need to execute our order, remain always, even if charged for separately, in our possession.

X. Warranty

1. Our products are being manufactured according to our standards in production and quality determined by contract. We guarantee a quality according to our samples. We refer to the currently operative DIN regulations in regards to measurable test for comparison.

2. The purchaser is obliged to check the goods immediately upon receipt on it's formal accordance and completeness. Diminished, extra or wrongful deliveries, as well as any possible defaults can only be queried in writing within one week after receipt of the goods. Otherwise the subject of delivery is considered as approved, unless, to us or our legal representatives or fulfillment assistants guile can be burdened. Non visible defaults can only be complained about within 12 months from delivery and are immediate to reprimand after their discovery by the purchaser. If the purchaser is a businessman for the purposes of the HGB and the contract belongs to the enterprise of his trade, in addition §§ 377,378 HGB apply. The objection has to take place under adding of photographs and samples of the reprimanded subjects of delivery.

3. Our products are being manufactured according to current DIN-regulations. Any formerly produced materials have also been manufactured according to current DIN-regulations. Decisive for a guarantee on performances is an average standard of the companies condition and the respective machine in use. All involving pieces of evidence are to be send back to us immediately if running times on the particular machine are not as good as average running times, under same circumstances, and the reasoning can not be tracked down to the matching product quality. When the customer puts our products in operation he needs to acquaint us instantly.

4. In case of defect reprimands the purchaser will allow the seller to enter the companies facilities as well as the inspection and measurements of the delivered good on the machine. The inspection and measurements can be carried out by a specialist called by the seller. Any evolving damages that might occur during measurements on the machine are generally exempt from any liabilities.

5. Our guarantee limits itself temporally to a period of 12 months after invoicing of the subject of delivery and essentially to postfulfillment. With ourselves in writing recognized objections we are obliged to the free removal of the faults in time reprimanded by the purchaser within appropriate term or to the faultless substitute delivery. We are entitled to refuse the postfulfillment if it is correlated for us only with uncomparative expenses. Instead of the postfulfillment decrease of the arranged price can then be demanded or cancellation of the contract, provided that it is about a substantial lack.

6. If the correction of faults or substitute delivery misses twice within appropriate term and is not reasonable to the purchaser another postfulfillment attempt, the purchaser can require lowering of the price or cancellation of the contract. The cancellation of the contract is expelled, provided that only an insignificant lack is present. Further claims of the purchaser, particularly because of violation of persons, losses in goods which are not object of the agreement or for profit-loss, consequence expenses etc. are expelled, as far as hereafter mentioned section XI does not determine in a different way.

7. The purchaser has to send us the faulty subject of delivery at his own risk in order for us to take care of the correction or reprimand unless the return is not possible in the way of delivery. Replaced subjects of delivery or parts will remain or go over in our property.

8. Any changes in the machine that have taken place from judgement of the same and the actual usage of the fabric which have negative effects on our fabric, as well as any foreign interference, are exempt from any warranty claims.

XI. Liability

1. None other or further contractual or legal claims are entitled fundamentally to the purchaser against us, our legal representatives and fulfillment assistants as admitted in these general sales, delivery and payment conditions.

2. Our liability as well as the liability of our legal representatives and fulfillment assistants, particularly in the protrudingly named cases limits itself in every case – particularly because of fault on the occasion or from

contract negotiations, violations of extra duties, unauthorized business, impossibility of the achievement and delay – to intention and culpable negligence.

We are always responsible for the culpable violation of essential contract obligations (cardinal's obligations). intention and coarse negligence leave us, our lawful representatives and fulfillment assistants by full height are responsible: incidentally our liability as well as the liability of legal representatives and fulfillment assistants, subject to regulation is limited in figure 3 and figure 4 after the height to the substitute of the contract-typical and foreseeable damage. We have covered the contract-typical damage risk by a liability insurance, our liability and the liability of our legal representatives and fulfillment assistants is limited after the height to the performances of the liability insurance, as far as the purchaser is an entrepreneur and acts by completion of the contract in exercise of his commercial or independent professional activity. As far as the insurer is free of performance, we have to enter up to height of the insured sum with own indemnification's.

3. Figure 2 applies not to the liability for losses from the violation of life, body or health, which appeal on a negligent breach of duty of us or a deliberate or negligent breach of duty of a legal representative or of fulfillment assistants of us.

4. Subject to figure 3 are claims for compensation of the purchaser because of negligent breach of duty by us, our legal representative and fulfillment assistants and other third person whose behavior to us is to be added in the individual case, particularly substitute of the lack damage are impossible, as far as it is not about violation of essential contract obligations.

5. The restrictions of liability carried out in these conditions do not apply to our obligation to indemnify after the regulations of the law about the liability for incorrect products from the 15.12.1989 in the version valid in each case. The same applies to the case that fulfillment of the contract was not possible to us the from the beginning.

6. In the cases in which our liability appears as a consequence of faults of third suppliers to covered materials our liability limits itself to resign our claims against the third suppliers to the purchaser.

XII. Validity of German Law

Legally binding in our business association to the customer is solely the Law of the Federal Republic of Germany.

XIII. Final Clauses

1. From these conditions divergent agreements are only effective if they have been confirmed by us strictly, in writing or by telex.

2. Place of settlement / court of jurisdiction for all claims from the contractual relationship is Reutlingen/ Germany.

3. Any ineffectiveness of separate regulations does not touch the effectiveness of the remaining regulations.

04.07