

GENERAL CONDITIONS OF SALE OF BONAR TECHNICAL FABRICS NV

1. DEFINITIONS

The following terms shall, for the purpose of this Contract, have the following meaning unless the context clearly requires otherwise and the singular shall include the plural and vice versa:

- 1.1.1 "Conditions" mean the current standard terms and conditions set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Company and the Contracting Party;
- 1.1.2 "Company" or "Seller" means the limited liability company Bonar Technical Fabrics, incorporated under Belgian law with its registered office at 9240 Zele, Industriestraat 39, registered with the register for legal persons of the Commercial Court of Dendermonde under enterprise number 0421.053.442 and subject to the tax on added value under number 421.053.442;
- 1.1.3 "Contract" means the written agreement for the sale and purchase of Goods;
- 1.1.4 "Order" means the Seller's sale order to which these Conditions are referenced, or any agreement or legal relationship between the Seller and Buyer which concerns the sale of Goods;
- 1.1.5 "Delivery" means the moment on which the Buyer takes possession and power of the goods;
- 1.1.6 "Delivery Address" means the address stated as such on the Order;
- 1.1.7 "Delivery Date" means the date or dates as stated on the Order as the date or dates upon which Goods are to be delivered;
- 1.1.8 "Incoterms" means the international rules for the interpretation of trade terms of the International Chamber of Commerce as in force at the date the Contract is made. Unless the Contract otherwise requires any term or expression which is defined in or given a particular meaning by the provision of Incoterms shall have the same meaning in this Contract, but if there is any conflict between the provisions of Incoterms and this Contract, the latter shall prevail;
- 1.1.9 "Design" means any novelty construction and/or ornamental features of the Goods and Materials;
- 1.1.10 "Goods" means (raw) materials, component parts and all other goods described on the Order or that are the result of sale from Seller to Buyer or are otherwise the result of the execution of the Order;
- 1.1.11 "Affiliate" or "Affiliated Company" means with respect to a given company, any company that owns or controls at least 50% of the voting stock of such given company or any other company, of whose voting stock at least 50% is owned or controlled by such owning or controlling company or by the given company;
- 1.1.12 "Inventions" means any invention, whether patentable or not, including but not limited to improvements, ideas and know-how in connection with the Goods, Manufacturing processes and Materials employed in the Contract;
- 1.1.13 "Manufacture/Manufacturing" means all steps and operations involved in the production of Goods including, but not limited to: the purchase of the Materials, income inspection on Materials, storage of the Materials at the Seller's warehouses, assembly of Goods, depreciation and administrative costs, conditioning, packaging and labelling of Goods, in-process and quality control, delivery according to the Incoterms or to specific agreed terms thereon;
- 1.1.14 "Materials" means all or any of the raw materials and component parts required for the Manufacture of the Goods, as well as all or any of the conditions and packaging materials required for the Manufacture of Goods;
- 1.1.15 "Price" means the price of the Goods as set out in condition 4;
- 1.1.16 "Proprietary Information" means all confidential information related to the Goods and Manufacturing, exchanged between the parties and marked by the disclosing party as confidential;
- 1.1.17 "Specifications" means the plans, drawings, specifications, data or other information relating to the Goods, as advised by the Seller, or as agreed by the parties in writing, or if not specified or agreed, shall be as specified by the Company as standard for the Goods;
- 1.1.18 "Buyer" means the person, firm or company to whom the Order is addressed, or with whom the Seller has otherwise entered into a relationship wherein Buyer is the customer, and any assignee of the Buyer approved by Seller;

- 1.2 Headings in these Conditions are for convenience only and shall not affect their interpretation.
- 1.3 Any reference in these Conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provisions as amended, re-enacted or extended.

II. STANDARD TERMS AND CONDITIONS

2 Application

- 2.1 These Conditions alone shall govern and be incorporated in any Contract. They supersede, and reject all prior agreements, representations, discussions or negotiations, whether written or oral. They shall apply in place of and prevail over any terms or conditions (whether or not in conflict or inconsistent with these Conditions), contained or referred to in any documents submitted to the Company or in correspondence or elsewhere implied by trade custom, practice or course of dealing between the parties, unless specifically and expressly excluded or varied in writing by a director of the Company or by a specifically authorized proxyholder thereto, and any purported provisions to the contrary are hereby excluded or extinguished.
- 2.2 Acceptance by the Buyer of delivery of the Goods shall (without prejudice to Condition 2 or any other manner in which acceptance of these Conditions may be evidenced) be deemed to constitute unqualified acceptance of the Conditions.
- 2.3 If, subsequent to any Contract which is subject to these Conditions, a contract of sale is made with the same Buyer without reference to any conditions of sale or purchase, such contract howsoever made shall be deemed to be subject to these Conditions.

3 Quotations and acceptance

- 3.1 A quotation by the Seller does not constitute an offer and the Seller reserves the right to withdraw or revise the same at any time prior to the Seller's acceptance of the Buyer's Order. Any quotation shall in any event lapse unless the Seller confirms and accepts an Order from the Buyer within thirty (30) days of the quotation, unless otherwise specified between the Parties..
- 3.2 The Seller's acceptance of the Buyer's order (including telephone orders) shall only be effective once such acceptance is made on the Seller's printed Order confirmation form.

4 Price

- 4.1 The prices payable for the Goods shall be those as shown on the Seller's Order confirmation form. At any time, the Seller shall have the right to revise prices to take into account inflation and/or increases in costs including, without limitation, costs of any Goods, Materials, carriage, labour or overheads, the increase or imposition of any tax duty or other levy and any variation in exchange rates.
- 4.2 Unless otherwise specified VAT and any other tax or duties payable by the Buyer shall be added to the price.
- 4.3 When prices are quoted "CIF" or "CIF duty paid" or 'free delivered' to any delivery address outside the Kingdom of Belgium, then any increase in insurance, packing or freight costs or duties or taxes applicable to the delivery of Goods between acceptance of the Buyer's Order and delivery (together with all costs of any trans-shipment and/or deviation of voyage) shall be paid by the Buyer.

5 Terms of Payment

- 5.1 Payment of invoices shall be made in full without any deduction or set-off in accordance with the terms stated on the Seller's order confirmation form and invoice. Time of payments shall be of the essence of all Contracts between the Seller and the Buyer. The Seller reserves the right to suspend the provision of Goods to the Buyer where any amounts are overdue under any Contract with the Buyer until all such amounts have been paid.
- 5.2 Interests shall be payable on overdue accounts at the rate of 12 % to run from the due date for payment until receipt by the Seller of the full amount.
- 5.3 Any credit given by the Seller to the Buyer may be withdrawn or limited at any time by the Seller on such notice as the Seller may think fit and consequently the Seller may refuse to deliver all or part of the Goods other than against due tender of the Price in accordance with any contract to which these Conditions apply.

6 Delivery

- 6.1 Delivery or despatch dates mentioned in any quotation, order confirmation form or elsewhere are approximately only and not of any contractual effect and the Seller shall not be under any liability to the Buyer in respect of any failure to deliver on any particular date or dates. Time of delivery shall not be of the essence of any Contract to which these Conditions apply and shall not be made so by the service of any notice. All

Orders for Goods endorsed delivery as required or with no final completion date for deliveries are accepted on condition that the Seller is given reasonable time to make and deliver the Goods.

- 6.2 Delivery will be on a "Ex Works", "CFR" or "Ex Works" basis as stated on the Order confirmation form. In the case of a sale "Ex Works", the Seller shall not be liable for any loss or damage caused by any incident occurring during transit from its premises.
- 6.3 If the Buyer refuses, or fails to take delivery of Goods tendered in accordance with the Contract or fails to take action necessary on its part for delivery and/or shipment of the Goods, the Seller shall be entitled to terminate the Contract with immediate effect, to dispose of the Goods as the Seller may determine, and to recover from the Buyer any loss and additional costs incurred as a result of such refusal or failure (including, without limitation, storage costs from the due date of delivery).
- 6.4 Unless otherwise agreed, the Seller may effect delivery in one or more instalment. Where delivery is effected by instalments, each instalment shall be treated as a separate Contract.

7 Risk and Insurance

- 7.1 Subject to Condition 7, risk shall pass on delivery.
- 7.2 Any property of the Buyer in or under the Seller's possession or control and all property supplied to the Buyer on behalf of the Seller shall be held by the Seller at the Buyer's risk.
- 7.3 From time of delivery until title in the Goods passes to the Buyer in accordance with Condition 9, the Buyer shall insure the Goods for their full value with a reputable insurance broker. Upon request, the Buyer shall use reasonable endeavours to get the Seller's interest in the Goods noted on the insurance policy. Until property in the Goods passes to the Buyer, the proceeds of any claim on such insurance policy shall be held in escrow for the Seller and shall forthwith be credited to the Seller.
- 7.4 Any Goods returned by the Buyer to the Seller shall be at the Buyer's risk unless their return is at the Seller's request.

8 Export sales

In any case where the Goods are sold "CIF" or "FOB" or on the basis of any other international trade terms, the meanings given to such terms in the Incoterms shall apply, save where inconsistent with any provisions contained in these Conditions. Where Goods are sold "CIF", the Seller has the option of insuring under its floating and/or general policies, but shall provide a certificate of such insurance if requested to do so by the Buyer. Where Goods are sold "FAS", "FOB" or "FREE" the Seller will on the same basis insure the outward voyage if requested by and for the account of the Buyer.

9 Title

- 9.1 The risk in the Goods shall pass from the Seller to the Buyer upon delivery of the Goods to the Buyer. However, notwithstanding delivery and the passing of risk in the Goods, title and property in the Goods, including full legal ownership, shall not pass to the Buyer until the Seller has received full payment for all Goods delivered to the Buyer under the Contract and under all other contracts between the Seller and Buyer for which full payment of the price thereunder has not been paid. Payment of the full price of the Goods shall include the amount of any interest or any other amount due under these Conditions and all other contracts between the Seller and the Buyer under which the Goods were delivered.
- 9.2 Until property in the Goods has passed to the Buyer, the Buyer shall:
 - 9.2.1 Not part with possession of the Goods without prejudice to Condition 9.5;
 - 9.2.2 Take proper care of the Goods and take all reasonable steps to prevent any damage to or deterioration of them;
 - 9.2.3 Keep the Goods free from any charge, pledge, lien or any other encumbrance and store the Goods separate from other goods and in such a way as to show clearly that they belong to the Seller; and
 - 9.2.4 Notify the Seller forthwith upon the happening of any of the events set out in Condition 15;
- 9.3 The Seller reserves the right to repossess and resell any Goods to which it has retained title and any right the Buyer may have to possession of the Goods shall in any event cease:
 - 9.3.1 If any sum owed by the Buyer to the Seller (whether in respect of the Goods or otherwise) is not paid to the Seller once due;
 - 9.3.2 Upon the occurrence of the events set out in Condition 15.
- 9.4 The Buyer hereby grants the irrevocable right to the Seller and its servants, agents, and representatives to enter all or any of the Buyer's premises with or without vehicles during normal business hours for the purpose of inspecting and/or repossessing Goods to which

it has retained title. This right shall continue in effect notwithstanding the termination for any reason of any contract which is subject to these Conditions and is without prejudice to any accrued rights of the Seller under such contracts or otherwise.

- 9.5 The Buyer may in the ordinary course of its business sell the Goods, or any new product or products produced with the Seller's Goods, provided that as between the Buyer and its sub-buyer or customer, the Buyer shall sell the Goods as principal and the Buyer shall not and shall not be empowered to commit the Seller to any contractual relationship with or liability to the sub-buyer or customer or any other person.

10 Variation in quantity

The Seller shall be deemed to have fulfilled its contractual obligations in respect of any delivery even though the quantity may be 10% more or less than the quantity specified in the Contract

11 Third party rights

- 11.1 The Buyer shall indemnify the Seller against any and all liabilities, claims and costs incurred by, or made against the Seller as a direct or indirect result of carrying out of any work to be done on or to the Goods in accordance with the requirements or specifications of the Buyer involving any (alleged) infringement of any rights of any third party (including without limitation the labelling of any libellous or illegal matter on the goods).
- 11.2 If at any time any allegation or infringement of patent, copy or design rights is made in respect of the Goods or, if in the Seller's reasonable opinion such an allegation is likely to be made, the Seller may at its option and at its own expense:
- 11.2.1 Modify or replace the Goods without detracting from overall performance thereof, so as to avoid the infringement; or
- 11.2.2 Procure for the Buyer the rights to continue to use the Goods; or
- 11.2.3 Repurchase the Goods at the price paid by the Buyer less depreciation at such rate as is applied by the Seller to its own equipment.
- 11.3 The Buyer shall notify the Seller forthwith of any claims made or action brought or threatened alleging infringement of the rights of any third party. The Seller shall have control over and shall conduct any such proceedings in such manner as it shall determine. The Buyer shall provide all such reasonable assistance as the Seller may request. The costs of any such proceeding shall be borne by the Seller.
- 11.4 Where the Seller or its employees or agents design the Goods pursuant to a commission from the Buyer (whether in consideration of an order or not), then the Buyer assigns the design right in that design (and the right to apply for registration of that design if applicable) to the Seller.

12 Liability

- 12.1 The following provisions govern the Seller's entire liability (including any liability for the acts and omissions of its employees, agents and sub-contractors) to the Buyer in respect of:
- 12.1.1 any breach of its contractual obligations under these terms and conditions; and
- 12.1.2 any representation, statement or tortuous act or omission including negligence arising under or in connection with these terms and conditions, save that any exclusions or limitations shall not apply in the case of fraud or fraudulent concealment.
- 12.2 Any act or omission on the part of the Seller or its employees, agents or sub-contractors falling within clause 1.1 shall, for the purpose of this clause, be known as an "Event of Default". If a number of Events of Default give rise substantially to the same loss they shall be regarded as giving rise to only one claim under this agreement. The Buyer shall give the Seller not less than 90 days in which to remedy any Event of Default which may arise.
- 12.3 The Seller's liability to the Buyer for death or injury resulting from its negligence shall not be limited.
- 12.4 The Seller shall exclusively be liable for damages which are the direct and demonstrable consequence of a breach imputable to the Seller. The Seller shall not be liable to the Buyer in respect of any Event of Default for economic loss, loss of a chance or any type of special, indirect loss.
- 12.5 The Seller shall have no liability to the Buyer in respect of any Event of Default unless the Buyer serves notice of the same upon the Seller within 15 days of the date it became aware of the circumstances giving rise to the Event of Default or the date it ought reasonably to have become so aware thereof.
- 12.6 Unless stated otherwise, the Seller's liability, including any liability for negligence, howsoever caused arising out of or in connection with these terms and conditions shall be limited EUR 1.000.000 in respect of any one Event of Default;

- 12.7 The Buyer is responsible for the costs of returning any defective Goods to the Company and the risk of accidental loss or damage while the Goods are being returned will be borne by the Buyer.

13 Specifications and confidentiality

- 13.1 Unless otherwise agreed upon in writing by the Seller, all drawings, designs, specifications and particulars of weights and dimensions submitted by the Seller are approximate only and the Seller shall have no liability in respect of any deviation from them. The Seller accepts no responsibility for any errors, omissions or other defects in any drawings, designs or specifications not prepared by the Seller and the Seller shall be indemnified by the Buyer for any liabilities and expenses incurred by the Seller arising from them. Corrections to goods required by the Buyer following inspection and approval of proofs by the Buyer shall be at the Buyer's expense and will be charged separately.
- 13.2 All drawings, designs, specifications and information submitted by the Seller shall be treated as confidential and shall not be disclosed to any third party without the Seller's written consent, or used by the Buyer other than for the purposes authorised by the Seller.

14 Licences and consents

If any licence consent by any government or other authority shall be required for the acquisition, carriage, or use of the Goods by the Buyer, then the Buyer shall obtain the same at its own expense and if requested produce evidence of the same to the Seller on demand. Failure to obtain any licence or consent shall not entitle the Buyer to withhold or delay payment of the Price. Any additional expenses or charges incurred by the Seller resulting from such failure shall be borne by the Buyer.

15 Force Majeure

- 15.1 The Seller shall not be liable to the Buyer for any loss or damage which may be suffered by the Buyer as a direct or indirect result of the supply of the Goods by the Seller being prevented, hindered, delayed, cancelled or rendered uneconomic by reason or circumstances or events beyond the Seller's reasonable control ("force majeure circumstances") including, but not limited to acts of God, war, riot, strike, lock-out, trade or labour disputes or disturbances, accident, break-down of plant or machinery, fire, flood, storm, difficulty or increased expense in obtaining workman, materials or transport, or other circumstances affecting the supply of the Goods or raw materials by the Seller's normal source of supply or manufacture of the Goods by the Seller's normal means of delivery of the Goods by the Seller's normal route or means of delivery.
- 15.2 In force majeure circumstances, the Seller may, in its sole discretion, terminate any contract for the supply of the Goods pursuant to these Conditions or cancel delivery of the Goods to the Buyer or may, with the agreement of the Buyer, deliver the Goods at an agreed rate of delivery commencing after any suspension of deliveries.
- 15.3 If due to force majeure circumstances, the Seller has insufficient stock to meet all its commitments, the Seller may apportion its available stock between its customers at its sole discretion.

16 Samples

Any samples supplied to the Buyer are supplied solely for information and import in no way any express implied conditions or warranties as to quality, description, fitness for purpose or merchantable quality and the Buyer shall be deemed to have satisfied itself as to such matters prior to ordering the Goods.

17 Termination

- 17.1 Without prejudice to any other rights or remedies to which it may be entitled, the Seller shall be entitled to terminate the Contract forthwith without liability to the Buyer, by giving notice to the Buyer at any time if:
- 17.1.1 The Buyer commits a material breach of any of the terms or conditions of contract and if such breach is capable of being remedied fails to remedy the breach within thirty days of notice given by the Seller requiring the Buyer to do so; or
- 17.1.2 There is a change of control in the Buyer; or
- 17.1.3 The Buyer ceases or threatens to cease to carry on business or takes or suffers any similar analogous action under any applicable law; or
- 17.1.4 The Buyer is unable to pay its debts; or
- 17.1.5 Any representation herein contained by the Buyer shall in the opinion of the Seller prove to be untrue or incorrect in any respect as of the date when made; or
- 17.1.6 An order is made or an effective resolution is passed for the winding up of the Buyer's company other than for the purpose of an amalgamation or reconstruction the terms of which have been agreed by the Seller; or

- 17.1.7 A petition is presented or an order is made or a resolution passed or any analogous proceeding or action is taken for the appointment of an examiner, administrator, administrator receiver, trustee or any similar officer over the Buyer; or
- 17.1.8 The Seller reasonably believes that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly; or
- 17.1.9 The circumstances set out in condition 9.2 herein arise.
- 17.2 Termination of the Contract for whatever reason shall not relieve or discharge either party from any obligations, which have accrued prior to such termination.

18 Notices

- 18.1 Any notice or other communication whether required or permitted to be given by one party hereto to the other shall be in writing and shall be deemed to have been duly given if signed by or on behalf of a duly authorized officer of the party giving notice and;
 - 18.1.1 If delivered by courier, at the time of delivery to the addressee or its authorized agent;
 - 18.1.2 If sent by registered mail, from the date of mailing, if addressed to the party to whom such notice is to be given at the address set forth for such party in this Contract (or such other address notified to the other party hereto);
 - 18.1.3 If transmitted by facsimile, on receipt of an error free transmission report to such facsimile number or numbers from time to time notified to the other party;
 - 18.1.4 If transmitted by e-mail, on receipt of a delivery report to such e-mail account or accounts from time to time notified to the other party.

19 Waiver

- 19.1 No waiver by the Seller of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or of any other provision;
- 19.2 If the Seller does not exercise any right arising out of this Contract, this will not imply a relinquishing of said right with respect to any claims against the Buyer at the relevant time or in the future.

20 Validity

- 20.1 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by applicable law.
- 20.2 In the event of such partial validity, the Seller shall seek in good faith on replacing any such legally invalid provisions with provisions which, in effect, will from an economic viewpoint, most fairly approach the effect of the invalid provision.

21 Relationship

- 21.1 Nothing in this Contract shall constitute a representation or agreement that the parties hereto are members of any partnership, joint venture, association, syndicate, agency, or other entity for any kind of purpose and the parties hereto agree and acknowledge that they are independent contractors as their services relate to each other.
- 21.2 The Buyer shall have no authority or power to bind the Seller or to contract in the name of or create a liability against the Seller in any way or for any purpose.

22 Assignment

- None of the rights or obligations of the Buyer under these Conditions may be assigned or transferred in whole or in part without the prior written consent of the Seller.
- 22.1 The Seller is entitled to assign or transfer all or part of its rights and obligations under the Contract.

23 Health and safety at work

The Buyer agrees to pay due regard to any information supplied by the Seller and relating to the use for which the Goods are designed or have been tested or concerning conditions necessary to ensure that they will be safe and without risk to health at all times when they are being set, used, cleaned or maintained by any person at work and the Buyer undertakes to take such steps as may be specified by the above information to ensure that as far as reasonably practicable the Goods will be safe.

24 Lien

The Seller shall be entitled to general lien on all goods and property owned by the Buyer in the Seller's possession (although the Buyer may have paid for the same in full) in satisfaction for the whole or part as the case may be of the unpaid price of any goods sold and delivered to the Buyer under any contract. The Seller shall be entitled to offset any sum or sums owing to it from the Buyer against any sums owed to the Buyer from the Seller.

25 Compliance

The Seller and the Buyer shall comply with all requirements and/or obligations of any statute, statutory instrument, rule, order, legislation, directive and/or by-laws laid down by legislation

and/or EU bodies dealing with and relating to the Manufacture, Materials, packing, distribution, importation, pricing or sales of the Goods or Services or any other provisions in relation to the fulfilment of this Contract.

26 Communications

All written and oral communications, all documents and the labelling and marketing of all packages shall be in Dutch or English, unless otherwise specified by the Seller.

27 Governing Law – Jurisdiction

27.1 These Conditions shall be governed and construed by and shall be read in all respects in accordance with Belgian laws, with the exclusion of the rules on conflict of laws and the UN Convention on the International Sale of Goods.

27.2 Each of the parties hereto submit to the exclusive jurisdiction of the Belgian courts.

These Standard Conditions of Sale are the property of Bonar Technical Fabrics nv and can not be copied without explicit written consent of Bonar Technical Fabrics nv.

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