

General Standard Terms and Conditions for Sales – v1.2

1. Offer and Agreement.

- a. These General Terms and Conditions shall apply to all our offers, legal relationships and Agreements under which we provide goods and/or services of whatever nature to the Ordering Party. Deviations from and additions to these General Terms and Conditions shall only be valid if they have been expressly agreed in writing. All offers and other statements by the Ordering Party shall be without obligation, unless we expressly indicate otherwise in writing. The Ordering Party warrants the accuracy and completeness of the measurements, requirements, performance specifications and other data on which we base our offer and which have been stated by or on behalf of the Ordering Party to us.
- b. Unless our offer makes express mention of a period of engagement, the offers are without engagement and subject to alteration. Documents pertaining to our offers – such as drawings, illustrations, samples and patterns, and dimensional, weight data – contain of themselves constitute only approximate data and are not deemed to be specially agreed characteristics unless otherwise provided.
- c. If reference is made to any performance of our goods offered, this reference can only constitute an estimate under perfect(ly) (controlled) conditions.

2. Acceptance of the order; supplementary agreements.

Acceptance of an order, and any undertakings or supplementary agreements made by our employees, as well as amendments and alterations of any kind, shall not be binding upon us until we have explicitly issued written confirmation.

3. Price and payment conditions; offsetting.

- a. The goods sold shall remain our property until all our claims against the Ordering Party arising from our business relationship with the Ordering Party have been satisfied.
- b. Unless explicitly agreed otherwise, prices are valid until 14 days after quotation, ex-works prices (EXW, INCT 2010), exclusive of packaging, insurance, loading at the factory and value-added tax. Payments are to be made net cash, without any deduction and free of charges, within 14 days of the invoice date. Claims or partial claims of the Ordering Party's may never be offset against such payments.
- c. If the payment period is exceeded, we shall be entitled to charge default interest at a rate of ten percentage points above the applicable base rate announced by the Dutch National Bank, plus the collection costs. This is without prejudice to any further actions resulting of the default in payment. Where the Ordering Party holds claims against

ourselves, we are entitled to offset these against our own claims against the Ordering Party, at any time.

- d. For services performed under contracts for work and materials (installation, repairs, maintenance and other such work), we shall charge the hourly rates and materials-prices applicable at the time of completion, plus our applicable surcharges for any overtime, night-time, Sunday and public-holiday working; travel and waiting times are counted as working hours. Travel expenses and daily and overnight allowances will be invoiced separately.
- e. Solvica shall at all times be entitled to request payment in advance and/or an adequate irrevocable bank guarantee or other documentary credit instrument from the buyer. Solvica shall be entitled to postpone the delivery of the goods and other obligation it may have under the agreement, until the buyer has met such request.
- f. The prices in our offers, contracts and order confirmation are based on the cost factors applicable at the time of formation of the agreement such as currency rates, manufacturer's prices, commodity or raw material prices, salary and transport costs, insurances premiums, taxes and other government levies.
- g. Solvica reserves the right to charge these increases to buyer if after the date of the offer or after the date on which the agreement is concluded, but before the day of receipt of delivery increases occur in one or more cost factors mentioned in among others paragraph f. This does not apply to orders which have been shipped after payment by the customer.
- h. All prices mentioned in Solvica offers are subject to approval.
- i. At all times Solvica is entitled to request additional security of the payment of the agreed price from buyer without having to mention any reason.

4. Delivery.

- a. Delivery terms and delivery dates specified by Solvica shall be non-binding, unless binding terms and dates were expressly agreed upon in individual cases. In case of non-binding terms or dates, Solvica shall be in default only if a reasonable time for delivery set in writing by the customer lapses unsuccessfully. The customer shall set the expiry date to a date at least four weeks after the expiry of the non-binding delivery term or non-binding delivery date.
- b. Solvica shall not be in fault of delivery, if suppliers fail to delivery in a proper or timely manner due to reasons beyond Solvica's sphere of responsibility.
- c. Solvica shall be entitled to make partial deliveries provided that the acceptance of such partial

deliveries is reasonable for the customer as a result thereof (unless Solvica agrees to bear such cost). Each partial delivery may be invoiced separately.

- d. The customer shall be in default of acceptance, if it fails to accept the goods on the bindingly agreed delivery date. In case of non-binding delivery terms or dates Solvica may notify the customer when the goods are ready for collection within a period of four weeks. The customer shall be in default of acceptance, if it fails to collect the goods within that timeframe.
- e. If the customer is in default of acceptance or if the usual time taken for unloading is exceeded at the time of acceptance, it shall be charged the additional cost arising as a result, such as container rental cost and other storage cost. Solvica shall be entitled to charge the customer 0,1% of the amount invoiced for the stored goods per calendar day of storage as lump-sum compensation for storage costs. However, the customer shall be charged a maximum of 1% per calendar month, unless it provides evidences that damages incurred are lower. Solvica reserves the right to submit evidence of greater damages. However, Solvica shall be entitled to find alternative ways to dispose the goods, if attempts to determine a reasonable period of time are unsuccessful.

5. Passage of risk.

- a. Risk shall pass to the Ordering Party as soon as the articles to be delivered, or the articles on which we have performed maintenance, repair or other work, have left our factory. The same shall also apply to part-deliveries or in cases where we have undertaken to bear the shipping charges or to perform delivery, setting-up, assembly, installation or other similar services. If the maintenance, repair or other work is carried out in the domain of the Ordering Party, then risk shall pass to this latter as soon as it has received notification that the work in question has been completed.
- b. If there is any delay in dispatching or delivery the shipment for reasons for which we are not liable, the risk shall pass to the Ordering Party as soon as it has been notified that the consignment is ready for delivery.

6. Retention of title: rescission.

- a. We shall retain title to the article(s) delivered until our purchase-price claims, and all other claims that we have – on whatever legal grounds – against the Ordering Party, have been settled in full.
- b. The Ordering Party is only permitted to re-sell the article delivered – even if this has been joined to other items or subjected to processing – in the course of its company's regular business operations. However, this permission is precluded

if the resulting claims are assigned to third parties or are the subject of an assignment prohibition, or if the Ordering Party is insolvent or in default with the performance of its contractual obligations. No other manner of disposition whatever is permitted to the Ordering Party. In the event of distraintment, confiscation or other disposition by third parties, the Ordering Party is to notify us hereof immediately. Our legal expenses incurred in connection with the enforcement of our title are to be borne by the Ordering Party.

- c. The Ordering Party assigns to us even now its claims and other rights from the re-sale, rental or leasing of the article delivered, even if this latter has been joined together with other items or subjected to processing; the Ordering Party shall make an entry to this effect in its books. If the article delivered is sold or placed into the hands of a third party for such party's use together with other items (regardless of whether or not it has been joined to any such items or subjected to processing), then the receivables claim shall only be assigned up to the amount of the purchase price owed to ourselves. This is without prejudice to any further damages claims.
- d. The Ordering Party is only entitled to collect the claims and to assert the other rights to the extent that it has met its payment obligations towards us and is not insolvent. If the Ordering Party should act contrary to the terms of the contract – in particular by being in arrears with payment or with any other contractual obligation, and/or by being insolvent – we shall be entitled, at our own discretion, either to terminate the contract without granting any grace period or, while leaving the contract in force, to take back the article delivered or to forbid it to be used. We shall also be entitled to sell the taken-back article in the open market; after deduction of a handling fee of 20% of the proceeds thus realized, the remainder will be debited from the total of our outstanding claims against the Ordering Party. Pending return of the article in the event of our terminating the contract, we shall charge the Ordering Party a usage fee of 5% of the original value of the article, unless the actual diminution in its value is even greater.

7. Warranty.

- a. We give no warranty for ordinary deviations in size, weight or quality (or as tolerated by NEN, EN or DIN standards), and also no warranty for information given regarding the suitability of the article(s) to be delivered for the purpose contemplated by the Ordering Party, or for any other particular purpose.
- b. Although we warrant the correctness of our processing instructions, user/operating manuals and customer advisory service, compliance with statutory or other regulations when using the articles delivered, and the testing of these articles for the purpose envisaged, shall remain the sole

responsibility of the Ordering Party, we shall only be answerable for any instructions differing from our written processing instructions and user/operating manuals if we previously confirmed these deviations in writing, either by letter, telefax or e-mail.

- c. Articles or services supplied must be inspected by the Ordering Party immediately after delivery has been taken of them. Any defects must be reported to us immediately upon being discovered, in a written notice sent by letter, telefax or e-mail quoting the number and date of the order confirmation note, of the delivery note or of the invoice, and the serial and commission numbers. If the Ordering Party omits to make this immediate notification, it may no longer assert any warranty claims or claims for compensatory damages on account either of the defect itself or of any misapprehension as to whether the delivery or service was free of defects. The notice must set out which delivered items or supplied services are affected by the defects, what the defects consist of in detail, and under what concomitant circumstances these defects occurred. Every single defect must be exactly described. Any costs which we incur as a result of unjustified notices or notices that are otherwise at variance with the conditions of use are to be refunded to us by the Ordering Party.
- d. In the case of corrective and preventive maintenance work, our warranty shall be limited to the services actually rendered. We shall only warrant correct functioning of an installation, machine or the like whose components were not all supplied by ourselves if we have undertaken – despite the provision of certain components by the Ordering Party or by third parties – to manufacture the installation (or machine etc.) as a whole, and if the faulty functioning in question is not attributable to incorrect or incomplete information from the Ordering Party.
- e. Unless otherwise agreed, the warranty period shall be 12 months, unless the economic life cycle of the product does not exceed such term and the warranty period will thus be maximized to such a term. This period limitation also applies to the supply of items deemed to be immovable and to work on items which are, or are deemed to be, immovable. The warranty period shall start to elapse upon the passage of risk.
- f. The Ordering Party must always prove that defects coming to light during the warranty period were already present at the time of the passage of risk.
In cases where we do give warranty, we shall – at our own discretion and within a reasonable period of at least 4 weeks' duration – either exchange the defective article itself, or its defective components, for a defect-free article or defect-free components, or remedy the defect(s), or grant the Ordering Party a reasonable reduction in price, or (unless the defect in question is a minor one) cancel the contract. The warranty period is not prolonged by the exchange of the item or of parts or components

belonging to the item. If, however, the remainder of the warranty period – including that part of the period during which our warranty is limited to free provision of the requisite materials – lasts for less than twelve months, then the warranty period for the exchanged items, parts or components shall be extended to twelve months. The items, parts or components thus exchanged shall become our property. We shall not refund the costs for any actual or attempted remedying of a defect by the Ordering Party or by any third party. To the extent that is necessary and may reasonably be expected of the Ordering Party, the object of delivery or performance, or the defective part(s) thereof, are to be dispatched or shipped to us immediately at our request, at the Ordering Party's risk and expense, failing which any and all warranty obligation on our part shall become void.

- g. The Ordering Party is not entitled to withhold payment on account of warranty claims or other counter-claims not recognized by ourselves. Warranty claims from the Ordering Party are excluded in cases where the installation, user and operating manuals provided by ourselves, or to be requested from us by the Ordering Party, have not been observed, or where the user has not been (fully) obligated to observe such instructions; if the installation work has not been performed properly and in accordance with the relevant Standards, and in particular if was not carried out by licensed contractors; if any corrective maintenance or other work has been performed on the object of delivery or performance without our consent; if it has been improperly operated or used, or operated despite its protective features being faulty, or taken out of the contract territory without our consent, or used contrary to our instructions or for purposes for which it is not intended; and, moreover, where defects are attributable to foreign object damage, chemical influences, overvoltage, the conduct of third parties or to force majeure; the same applies in respect of natural wear and-tear. Our warranty is also excluded in cases where we have been contracted to carry out repair-orders, to alter or modify used items, or to supply such items.
- h. The Ordering Party shall give us prior written notice of any intended modifications to the article delivered, or to its mode of operation, and permit restricted investigations by persons appointed by ourselves, failing which the Ordering Party shall forfeit all warranty (or separately agreed guarantee) and damages claims.
- i. In addition to all the above: No products delivered by Solvica have unlimited warranty. The terms and conditions thereof are never beyond/ more extensive than the terms and conditions rewarded by Solvica's Supplier(s). The Ordering party may refer directly to Solvica as its contracting party. The Limited Warranty shall be attached as Annex 1. If the Annex mentions the location of the Supplier, this will have to be read as the location of Solvica itself. Solvica may- at its sole discretion- decide whether

or not defective products will be repaired on location or at the location of Solvica.

8. Damages and product liability.

- a. We shall only accept unlimited liability for damage, of whatever kind, to the extent that the Ordering Party proves that we ourselves brought about this damage either knowingly and willfully or grossly negligently. If the Ordering Party proves that we have caused damage in an ordinarily negligent manner, our obligation to indemnify shall be limited to the damage actually incurred, and, moreover, to a maximum overall amount not exceeding the total order value if such value does not exceed the amounts that are covered by insurances from either Party, but under all circumstances damages are limited to an amount of € 25.000. Furthermore, claims of this type may only be enforced at law if asserted within six months of the damage in question becoming known.
- b. In the event that we are taken to law by a third party where we have produced and delivered in accordance with the drawings, designs, models or other documents provided by the Ordering Party, the Ordering Party shall indemnify and save us harmless.
Our liability to pay damages for property damage by reason of the applicable product liability legislation, including all rights of recourse, is excluded. When using the installations, machines and other articles delivered by ourselves, the Ordering Party is obliged to painstakingly observe all safety regulations, technical rules, installation regulations, operating instructions and user manuals, and in particular all regulations applying to the electrical engineering field, and to allow only authorized skilled personnel to operate the equipment.

9. Final provisions.

The place of performance for deliveries, other services and payments, and the sole place of jurisdiction, shall be Zwolle, Netherlands. However, Solvica shall also be entitled to go to law against the Ordering Party at the court which has "in-rem" and territorial jurisdiction under the relevant regulations for the Ordering Party's commercial domicile or place of residence.
Legal disputes arising out of the contract are to be exclusively governed by Dutch law. The UN Convention on Contracts for the International Sale of Goods, on the other hand, shall not be applicable.

ANNEX 1 – LIMITED WARRANTY

General.

Solvica warrants equipment that it manufactures to be free from defects from material and workmanship under normal use and service for the periods defined

below. This Warranty shall apply to the Original Purchaser only, and is not transferable. All warranty time periods start on the date that the equipment was delivered to the original retail purchaser. Our sole obligation under this warranty is limited to repairing or replacing the defective part or parts, which in our judgment show evidence of such defects. All warranty repair work shall be accomplished at the factory and Solvica assumes no obligation to perform warranty service at a customer's facility, unless agreed otherwise. This warranty is given in lieu of and to the exclusion of any and all other warranties, express or implied. Specifically, and without limiting the generality of the above disclaimer, Solvica disclaims any warranty of merchantability or fitness for any particular purpose as to any and all goods sold to the Buyer (whether for the ultimate use of the Buyer, or any other person) pursuant to the purchase order, contract or in connection therewith.

Covered components.

12 months – Parts and Labor for:

- Mixing Machines
- Press Machines
- Filling Machines
- Test Equipment

6 months – Parts and Labor for:

- Switches

Excluded components.

Solvica Limited Warranty shall not apply to:

1. Equipment Supplied Not Manufactured By Solvica

With respect to standard equipment supplied by Solvica as part of a complete system, Solvica extends the same warranty as offered by the individual manufacturer of this standard equipment if any. In many instances such items are warranted directly by the manufacturer, and Solvica may, from time to time, inform the customers of such warranty coverage; however, Solvica does not guarantee the accuracy of completeness of its information regarding such warranties.

2. Modification And Misuse

This warranty does not apply to products which have been modified in any way by any party other than Solvica; nor to products which have not been installed and operated in accordance with applicable industry standards; or to products which have been used other than under usual conditions for which they are designed; nor to products that have not received proper care, protection and maintenance under supervision of competent personnel.

Utilization for intended purpose only.

The mixing systems, press machinery, filling system and test equipment are intended to be used SOLELY for professional use in industrial use as discussed with the Ordering Party. Any other use is deemed to be “not for the intended purpose” and the manufacturer shall not be liable for any damage resulting there from.

Utilization for the intended purpose includes:

- observance of all instructions in the operating manual
- performance of all prescribed inspection and maintenance work

Solvica products are intended for purchase and use by commercial/industrial users and persons trained and experienced in the use and maintenance of such equipment.

Performance of warranty repairs – location.

Solvica's obligation under this warranty shall be limited to the repair or replacement, at its option, of any goods or any components or parts thereof sold by Solvica to Buyer that prove to be defective upon Solvica's examination. Returned goods shall be delivered F.O.B. Solvica's supplier, at Buyers risk and expense.

Disclaimer.

Solvica shall not be otherwise liable for any damages including but not limited to incidental damage, consequential damage, or special damages, whether such damages result from negligence, breach of warranty, or the result of repair and replacement activity, including, but not limited to any losses due to downtime or loss of use. Solvica shall not be held liable for any lost profit or other damage, delay or loss which may result directly or indirectly from the adjustment, alteration, repair, maintenance, operation, or interruption thereof, of any said equipment.

There are no warranties of fitness for any particular purpose of said equipment or any other warranties (expressed, implied or statutory) concerning the performance capabilities thereof. Solvica shall not be liable for any consequential, indirect or incidental losses or damages incurred as the result of any breach of warranty or as a result of any repair or replacement activity, including, but not limited to any losses due to down time or loss of use. Solvica shall not be liable for any losses, injuries or damages sounding in tort, whether for the negligence of Solvica or its agents, officers or employees or in a strict liability theory.

To the extent permitted by law, the remedies provided herein are the sole and exclusive remedies. In no event shall Solvica be liable for direct, indirect, special incidental or consequential damages (including loss of profit), whether based on contract, tort, or any legal theory.

Any express warranty not provided herein and any implied warranty guaranty or representation as to performance, and any remedy for breach of contract tort or any other legal theory which, but for this provision might arise by implication, operation of the law, custom of trade or course of dealing including any implied warranty of merchantability or fitness for particular purpose, with respect to any and all equipment furnished by Solvica is excluded and disclaimed by Solvica.