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GENERAL SALES, DELIVERY TERMS AND CONDITIONS

For Twin Filter BV, a private limited company with limited liability located in Zaandam, registered with the Chamber of Commerce in Amsterdam and filed there under number 35026329.

Article 1 – DEFINITIONS

1. In these General Terms and Conditions, Twin Filter is defined as the private limited company Twin Filter BV, hereinafter referred to as TF, located in and with offices in Zaandam.
2. In these General Terms and Conditions, the customer is defined as the one under whose instructions TF develops, manufactures, sells or delivers goods (including semi-finished products) or provides services. The customer is also the one responsible for paying for such goods or services.
3. Services include all activities TF performs in the framework of fulfilling a customer order, including making recommendations. The terms specified in these General Terms and Conditions that apply to providing goods also apply to providing (performing) services.

Article 2 – APPLICABILITY

1. These General Terms and Conditions apply to all agreements between TF and its customers, for both goods and services, as well as to all offers from TF, and take precedence over any general terms and conditions of the customer of any nature whatsoever.
2. At the moment the agreement is concluded, the customer is deemed to agree to the exclusive applicability of these General Terms and Conditions.
3. Additions and/or deviations to these conditions only apply if they have been agreed upon with the customer in writing.
4. Later agreements/orders from the customer do not entitle him to additions and/or deviations to conditions that applied to prior deliveries.
5. Customer references to his own purchasing or other conditions, where reported, are not accepted unless TF has expressly accepted these deviations in writing.
6. Once the customer has done business with TF once and thus has been made aware of the General Terms and Conditions, all subsequent deliveries are deemed to have taken place under the terms of the conditions, unless other agreements have been expressly made in writing.
7. If TF acts as an intermediary/agent for a manufacturer, the manufacturer's conditions prevail, to the extent that they do not conflict with these conditions.

Article 3 – OFFERS, TENDERS, AGREEMENTS

1. No offers and tenders, whether in the form of price lists or in another form, including verbal offers and tenders and other declarations made by representatives and/or employees bind TF to any obligations.
2. An agreement is only concluded if and after TF has confirmed an order in writing, or has wholly or partially begun work based on a verbal order.
3. In the case of an order for delivery being made in separate parts, the agreement is deemed to be completely accomplished once the first partial delivery has been delivered.
4. Any agreements, promises, and/or changes to the agreements by or on behalf of TF (personnel) are only binding if they have been confirmed by TF in writing, or have been partially or entirely performed by TF.
5. TF enters all agreements under the suspensive condition that the customer is, in TF's judgement, sufficiently creditworthy to fulfil its financial obligations arising from the agreement.
6. Before making any deliveries, TF is entitled (at the time the agreement is concluded or after it is concluded) to require assurance that the customer can pay any amounts to be owed or can live up to other obligations.
7. TF is authorised to make COD deliveries.
8. If TF deems it advisable or desirable, TF is entitled to engage third parties for the proper execution of its orders. The costs for such third parties will be invoiced

to the customer in accordance with the prevailing price specifications. If possible and if necessary, TF will consult the customer regarding this.

9. The price lists, catalogues, diagrams, drawings, size and weight specifications and other data provided with the tenders will be as accurate as possible. However, these data are not binding for TF unless TF has expressly stated this in writing. TF is not obliged to provide detail data (regarding the composition, etc.) of its goods, unless this has been agreed upon in writing.
10. TF's tenders, as well as any drawings, diagrams, technical data, descriptions, models, samples, designs, brochures, price lists, tools and the like that are provided remain the property of TF, even if the cost of such data has been billed to the customer. The information included in such items or which form the basis for the manufacturing or construction methods, products and the like are the exclusive property of TF.

Article 4 – CHANGES/CANCELLATIONS/ADDITIONAL WORK

1. Changes in the manner in which the agreement is fulfilled or entire or partial changes to the agreement are only allowed if the customer submits the desired changes/cancellations to TF in writing and if TF agrees to such changes/cancellations in writing.
2. TF is entitled to invoice the customer for the costs of damages which result from the changes/modification described in paragraph 4.1. After changes/cancellations have been made, the customer can no longer appeal to the originally agreed upon delivery dates or the periods agreed upon for completing the activities arising from the agreement.
3. Additional work is defined as all activities TF performs in consultation with the customer, whether or not specified in writing, while fulfilling an agreement, which are above and beyond those activities (and numbers of activities) to be performed, delivered and/or conducted expressly described in the agreement and/or the order confirmation, or any performance/scope of delivery provided by TF that exceed those expressly described in the agreement and/or the order confirmation.

Article 5 – MOUNTING/INSTALLATION

1. The customer is responsible for the proper and timely execution of all installations, provisions and/or conditions that are necessary for the product to be installed and/or the proper operation of the product in its installed state, except for and to the extent that TF's execution is conducted in conformance with or based on the data and/or drawings provided just mentioned.
2. Without prejudice to the terms specified in paragraph 1, the customer will in any case be responsible and assume the risks for ensuring:
 - a. that TF personnel can begin their activities as soon as they arrive at the installation point, and can continue their activities during normal work hours and, if TF deems it necessary, outside normal work hours, provided TF has informed the customer on time.
 - b. suitable housing and/or in conformance with all valid government regulations, the agreement and the commonly required provisions for TF's personnel.
 - c. that the access to the installation point is suitable for the form of transportation required.
 - d. that the installation point is suitable for both storage and installation of the equipment.
 - e. that the requisite (lockable) storage place for material, tools and other items is available.
 - f. that the requisite and normal assistants, vehicles, tools and materials (fuels, oils and grease, polish and other incidental materials, gas, water, electricity, steam, compressed air, heat, lighting, etc.) and the operation of the normal measurement and test equipment used by the customer are available to TF at the installation point without charge.
 - g. that all requisite security and preparation measures have been taken and are maintained, as well as all measures required to comply with applicable government regulations.



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- h. that the delivered products are at the proper location when the work begins and during the installation.
3. Damages and costs that arise due to conditions specified in this article not being met will be the customer's responsibility.
 4. Article 8 applies to the mounting/installation.

Article 6 – PRICES

1. All prices issued by TF are exclusive of VAT, unless expressly agreed upon otherwise in writing.
2. The prices issued by TF apply from warehouse, factory, or depot.
3. Unless expressly agreed upon in the order confirmation, prices do not include:
 - a. special certification, customs fees and/or import duties.
 - b. special packing costs.
 - c. storage, transport or postage costs.
 - d. costs for transport insurance.
 - e. materials.
 - f. administration costs for deliveries of less than € 500.00.
4. Prices are based on cost prices applicable at the moment of the tender. If these cost prices increase as a result of increases in the cost of raw materials, materials, parts, transport, wages, insurance premiums, fiscal burdens, import/export duties, exchange rates, and/or cost price factors described in the previous paragraph since the date the tender was issued, TF is entitled to include such increases in its prices.
5. The terms of the previous paragraph also apply if these factors that increase cost prices were foreseeable at the time the agreement was concluded.
6. However, if the increase in cost prices in conformance with paragraphs 4 and 5 is more than 25%, the customer is entitled to cancel the agreements by way of registered letter, within three days after the time that he could reasonably be expected to know of the price increases.
7. The cancellation described in the previous paragraph must take place in conformance with the terms of Article 4.
8. TF is authorised to invoice the customer for additional work it performs separately as soon as it knows the amount to be billed. The price for additional work is calculated in conformance with the terms of Article 5 of these General Terms and Conditions.

Article 7 – PACKAGING/PACKING MATERIALS

1. The pallets, boxes, crates, etc. used by TF for the packing remain the inalienable property of TF, whether a deposit was made for such materials or not, unless TF has expressly agreed otherwise in writing.
2. The customer is obligated to return these packing materials to TF post paid to the address specified by TF unless agreed upon otherwise.
3. The packing invoiced by TF is credited for the full price, provided this is returned postage paid in good condition within a month after the date of the invoice involved.
4. Damaged or incomplete packing material will not be credited unless these can, in TF's opinion, be repaired or completed. In that case an amount minus the cost of repair of completion will be credited.

Article 8 – DELIVERY/DELIVERY PERIODS

1. Approximate delivery dates will be specified in consultation with the customer and are not binding for TF.
2. All deliveries take place from the warehouse unless specified otherwise in writing. Once the goods leave the warehouse they are the responsibility of the customer and are not insured by TF.
3. Deliveries not made from the warehouse (deliveries for which TF serves as an intermediary) are at TF's risk.
4. The delivery time agreed upon for goods or the delivery period for services begins on the day TF has received all the requisite data, information, records or tools needed to fill (fulfil) the order.

5. Failure to meet the agreed-upon delivery dates does not entitle the customer to damages in any form whatsoever, not does it entitle the customer not to accept the goods or to cancel the agreement or to a total or partial suspension of the agreement nor does it release the customer from any of his contractual obligations.
6. In case of force majeure, which includes: strikes, fire, loss of goods during transport, water damage, government regulations, transport delays, bans on exports, war, mobilisation, import or export delays and all other situations that obstruct TF from fulfilling its obligations, whether temporarily or not, TF is entitled either to extend the delivery time by the length of the force majeure or to cancel the parts of the delivery disrupted by the force majeure, at TF's discretion. If the customer submits a written demand to TF, TF must let the customer know its decision within 8 (eight) work days.
8. If the disruption does not last longer than a month, TF is not entitled to cancel its agreements. If the disruption lasts longer than 1 (one) month, the customer has the right to cancel the agreement, provided this cancellation is submitted to TF in writing and is received by TF before the goods purchased are delivered. In case of situations that justify such cancellation, the terms of Article 8 do not apply.
9. TF is not liable for whole or partial failure to execute a delivery, unless TF has expressly agreed to this after a warning as intended above.
10. TF's responsibilities regarding delivery have been fulfilled once the goods have been offered for delivery to the customer once. The proof of receipt signed by the customer or the person representing the customer serves as proof of delivery.
11. In case the goods are undeliverable, transport, storage and other costs will be invoiced to the customer. In such cases, TF will also avail itself of the right to terminate the agreement.
12. TF is authorised to make the delivery in separate partial deliveries as long as these all take place within the agreed upon delivery period.

Article 9 – TRANSFER OF OWNERSHIP

1. The goods delivered remain TF's property until such time as the customer has fulfilled all his obligations, including payment for the goods.
2. The customer is not authorised to transfer ownership or possession of the goods to third parties or to make them available to third parties for their use until the customer has fulfilled all his obligations to TF, including payment for the goods. Until that time, the customer only has the goods on loan.
3. If the customer does not fulfil any of his obligations to TF, or does not fulfil them on time, or if another situation arises as defined in Article 10.1, TF is authorised to repossess the goods delivered without the need for any proof of default or legal intervention. The customer gives TF irrevocable authorisation to enter the area(s) in which the goods delivered are stored.
4. If TF actually repossesses the goods delivered, the agreement is terminated in accordance with the terms of Article 10.1.
5. The customer is authorised to notify TF immediately in writing if a third party tries to take possession of goods TF has delivered, which are not yet its property, as well as when any situation as specified in Article 10.1 arises. Should it appear after a period of time that the customer has not fulfilled his obligations, then TF can immediately demand that the customer pay a fine of 15% of the invoiced amount, excluding VAT with a minimum of € 500.00. This fine is not subject to legal mitigation.



Article 10 – CANCELLATION/TERMINATION OF THE AGREEMENT

1. TF reserves the right to immediately terminate (an) agreement(s) with the customer without legal intervention if the customer:
 - a. is declared bankrupt, or requests bankruptcy or a suspension of payments or is put under receivership/ custodianship, liquidates, or dies.
 - b. does not pay TF invoices on time, or in any other way fails to meet its obligations to TF, either fully or partially, or fails to meet these obligations on time.
2. In case of termination as intended above, TF is entitled to demand that the customer pay all amounts owed to TF in full immediately and TF is also entitled to payment in full for any damages, lost profit and/or interest.
3. The item "loss of profit" will be at least 15% of the agreed-upon price, unless other proof is provided by TF, with a minimum of € 1000.00 (excluding VAT). The item "lost interest" will be the amount of the legally applicable interest at that time (with a minimum of 1% per month).

Article 11 – CANCELLATION

1. If the customer partially or entirely cancels an order, TF has the right to invoice the customer for cancellation costs (with a minimum of € 500.00) which will be calculated in the following time frame over the net sales price:
 - a. up to one month before the agreed-upon delivery date – 30%.
 - b. less than one month before the agreed-upon delivery date – 40% unless TF proves that the cancellation costs are higher.
2. Once TF has made partial delivery, a request for cancellation of all or part of the agreement cannot be honoured.
3. Nor can a request for whole or partial cancellation be honoured if TF has manufactured/assembled the product for which cancellation is being requested especially for the customer, or has had this product manufactured/assembled especially for this customer.
4. Cancellation must be requested in writing by registered mail. The date the registered letter is received is deemed to be the date of cancellation.

Article 12 – TRANSFER OF RISK

1. All transportation risks for goods to be delivered postage paid or from the warehouse, depot, etc. are the customer's responsibility. These include direct and indirect damages, in conformance with Incoterms referred to in Article 19 paragraph 3.

Article 13 – CLAIMS

1. Claims due to shortages, deviations from reported specifications, externally visible damages, must be specified by the customer on proof of receipt and reported in writing, by way of registered mail and stating the invoice and packing list number to TF within 8 (eight) working days after delivery. Complaints do not exonerate the customer from his payment obligations and deadlines.
2. TF will not handle any claims not submitted on time. TF will deem all goods referred to in late claims to have been approved by the customer.
3. If the customer submits a claim, he is obligated to leave the goods as they are until TF can study the claim.
4. Claims regarding invoices must be received within 10 days after the date sent, or no more than 5 days after being received. These must be submitted in writing via registered mail.
5. Claims regarding activities performed by TF must be submitted in writing to TF within three months after the day on which the activity in question was performed.
6. Claims received later than the periods specified in paragraphs 2, 3 and 4 will not be handled.
7. Submitting a claim does not exonerate the customer from his obligation to pay TF. The terms of Article 17 continue to apply.

8. For the application of this condition, each partial delivery is deemed to be a separate delivery.
9. The customer is not entitled to return goods for which he has submitted a claim without prior permission from TF. If he returns such goods without authorisation, the terms specified in Article 15 apply.
10. If the customer has used, modified or processed part of the items delivered, or had a part of the items delivered used, modified or processed or has passed such goods on to third parties, he has no right to submit a claim.
11. If the customer discovers that part of a delivery is missing, he is not authorised to reject the entire delivery.
12. Unless otherwise agreed upon in writing, TF is authorised to offer a new delivery if incorrect or defective goods are delivered, such new delivery to be in accordance with the agreement. The customer is authorised to return the incorrect or defective goods.
13. TF is not liable for damages incurred by the customer in connection with, or arising from claims, unless these damages are the result of intentional or gross negligence on the part of TF.
14. TF is not liable for and is thus not liable for compensation for damages resulting from small deviations in/or normal wear to the goods delivered.

Article 14 – LIABILITY AND GUARANTEES

1. TF fulfils all its agreements to the best of its ability.
2. TF guarantees all goods it produces itself for one year. Goods/parts not produced by TF are guaranteed against manufacturing and material defects in conformance with the manufacturer's guarantees for a period to be specified later which begins the moment the goods are delivered.
3. The guarantees specified in Paragraph 2 can be invoked provided the goods provided by TF to the customer are used and operated in conformance with instructions and technical specifications provided by TF or the manufacturer.
4. Except for the terms specified in paragraph 2, TF is not liable for customer's choices of material, size, quality and/or colour for the goods delivered and does not guarantee that the goods delivered are suitable for the use intended.
5. TF is not liable for acceptable variances in terms of size, quality, colour, etc., which are result of acquiring goods from different manufacturers.
6. The customer releases TF of any liability for damages to third parties regarding the goods delivered resulting for any reason whatsoever, including patent infringement or property rights arising from data provided by the customer.
7. TF is never liable for compensation for indirect damages of any nature whatsoever.
8. TF is never liable for damages resulting from products it has delivered and accepts no claims regarding such damages based on guarantees if it turns out that the customer or user/consumer has:
 - a. not followed the instructions in the user's manual.
 - b. added other products that negatively effect, obstruct, or disrupt the intended operation or the intended objective of the product delivered.
 - c. have made (technically unfeasible) alterations or repairs to the product themselves or had such alterations or repairs made by others.
 - d. have used the product for purposes other than those normally intended, or other than those specified by TF, or have in TF's judgement handled, stored or maintained the product injudiciously.
 - e. have not fulfilled any obligation from the delivery agreement.



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Article 15 – RETURNS

1. Goods returned without prior permission from TF will not be accepted. Should this occur, then all the transport costs, including shipping and administration costs will be the customer's responsibility.
2. In case of the situation described in paragraph 1, TF is free to store the goods with a third party or on its own premises at the expense and risk of the customer.
3. Returns not accepted by TF do not in any way exonerate the customer from his obligation to pay the invoice for the goods he is attempting to return, nor from his obligation to pay for other products delivered or yet to be delivered.
4. With regard to the actual costs related to returns and measures TF takes regarding such returns, TF's itemised invoice to the customer is binding, unless the customer provides proof to the contrary.
5. Transport of all returns is at the customer's risk.
6. Returns will only be accepted by TF if the product is returned in its original packaging and if TF can sell this packaging.

Article 16 – FORCE MAJEURE

1. TF can always appeal to force majeure if TF's failure to live up to its obligations is not its own fault, or cannot be ascribed to TF under the law or under the prevailing general opinion in the Netherlands.
2. Force majeure in the sense of the previous paragraph includes, but is not limited to, the following circumstances: war, mobilisation, turmoil, work stoppages, fire, accident or illness, disruptions to business, lack of raw materials or packing material, transportation stagnation, government regulations as well as any circumstance that lies outside TF's control and negatively affects TF's ability to fulfil its obligations.
4. TF can also appeal to force majeure if the circumstances listed above occur in a third party's company with whom TF has concluded an agreement in order to be able to fulfil its agreements with the customer.
5. TF always reserves the right to cancel its agreement with the customer if the customer appeals to force majeure, as well as to demand payment from the customer for any damages TF has suffered or will suffer.

Article 17 – PAYMENT

1. All payments must be made within 30 (thirty) days after the invoice date, either in cash or to a bank account to be specified by TF, unless other agreements have been made in writing. The value date on the TF bank statement is deemed to be the date of payment.
2. All payments must be made without adjusting for debts. The customer is never authorised to defer payments.
3. If the payment for an invoice is not received on time, the customer must pay the legally applicable interest with a minimum of 1% per month for the period in which the customer is in default, specified in whole months.
4. If a payment is not received within the specified time after the invoice date and legal measures have been taken to force the customer to pay, the customer is liable for out of court collection costs to be imposed by TF, which are not subject to legal mitigation, set at a minimum of 15% of the invoice amount or part thereof, with a minimum of € 250.00, without prejudice to any court costs TF may be awarded by the court.
5. Payments by or on behalf of the customer can be deducted first from the claim for which TF has been able to claim its right to retention of title as specified in Article 8. Then TF can deduct any payments made from the out of court collection costs, then on the interest due, and finally on the principle.
6. If the customer fails to pay or to meet any other obligations from the agreement, TF is entitled to terminate the agreement, partially or entirely, without legal intervention and to repossess the goods delivered, which belong to TF, in accordance with the terms of Article 10.3.

7. TF also has the authority to terminate the agreement and repossess the goods specified in the previous paragraph if the customer dies, if his affairs are under administration or custody, if he liquidates his business, is declared bankrupt, is granted temporary suspension of payment or if his property is seized by another party.
8. In the cases specified in the previous two paragraphs, TF is also entitled to demand all the amounts the customer owes without warning or proof of default.

Article 18 – INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

1. TF reserves (on behalf of third parties) all industrial and intellectual property rights to the products it delivers and the technology, drawing, designs, models, sketches, diagrams, packaging and copyrights therein.
2. If the customer modifies/updates any drawings, designs, models, sketches, or diagrams provided by TF, all rights to such modified/updated items rest with TF.
3. If the customer violates the terms of paragraph 1, he is immediately liable for a fine of € 50,000.00, which is not open to legal mitigation, without prejudice to TF's right to immediately terminate all current agreements with this customer and to demand damages/loss of profit under the terms of Article 10.
4. TF shall exempt the customer from any liability against any action by third parties based on the claim that the products delivered by TF infringe on any applicable industrial property rights in the Netherlands.
5. The customer is not permitted to transfer his rights and/or obligations arising from an agreement the customer has made with TF.
6. Transfer of rights and/or obligations is only possible after the customer had informed TF and TF has given the customer express written permission for the transfer.

Article 19 – APPLICABLE LAW AND DISPUTES

1. These General Terms and Conditions and Dutch law apply to all agreements concluded by TF.
2. All disputes that arise concerning an agreement to which these conditions apply either wholly or in part, or as a result of other agreements, which are a consequence of such agreements, will, at TF's discretion be submitted to the authorised Dutch court in Amsterdam, or the location of the defendant unless the counterparty agrees with TF to have the dispute settled by an independent arbiter.
3. For the definitions of international trade terms, the last version of the "Incoterms" as compiled by the International Chamber of Commerce in Paris (I.C.C.) applies.

Article 20 – PRIORITY OF THE DUTCH VERSION

1. The Dutch version of these General Terms and Conditions is binding and will prevail over the English translation.

ZAANDAM, March 2011