

General conditions of sale for YongLi Belting

Article 1: General

1.1 In these General Terms and Conditions:

- a. YongLi means: YongLi Holland BV, having its principal place of business at the address Koolmand 3, 1724 BC Oudkarspel, the Netherlands, chamber of Commerce # 37156600, or any of its subsidiaries.
- b. Buyer means: any Party entering into an agreement with YongLi concerning the products and / or services delivered pursuant to these General Terms and Conditions.
- c. Order or Agreement means: any agreement between YongLi and the Buyer with regard to the delivery by YongLi of products and/or services of any nature whatsoever to the Buyer.

1.2 These General Terms and Conditions shall apply to all quotations and agreements whereby YongLi delivers products and/or services of any nature whatsoever to the Buyer, even if these products and/or services are not explicitly described in these General Terms and Conditions.

1.3 Any General Terms and Conditions that may be submitted by the Buyer do not apply and are hereby explicitly dismissed and declared inapplicable.

1.4 If any stipulation of these General Terms and Conditions should be void or nullified, the other stipulations shall remain in full force and YongLi and the Buyer shall enter consultations in order to replace any stipulations declared void or nullified with new stipulations, the purpose and purport of which shall be as close to those of the void or nullified stipulations as possible.

1.5 Any variations and / or additions to the stipulations of these General Terms and Conditions shall only be possible if they have been specifically agreed in writing by the Parties.

Article 2: Quotations

2.1 All quotations, made by YongLi, are free of obligation, unless otherwise stated in writing in the quotation concerned.

2.2 Where the Buyer has submitted any data, drawings, calculations, specifications and other information etc. with its inquiry, quotations are based on these data, drawings, calculations, specifications and other information etc., which YongLi may assume to be correct.

2.3 Every quotation or price indication is made under the assumption that YongLi will be able to execute the order during working hours.



2.4 Drawings, calculations, pricelists, catalogues, folders, brochures, size- and weight indications are only meant to give the Buyer an idea of and provide general information about the range of products offered by YongLi and so no rights can be derived from them unless specific reference is made to them in the quotation.

2.5 Information and advice from YongLi is exclusively of a general nature and not binding. Belt choices, -specifications and –applications always remain responsibility of the Buyer.

2.6 YongLi preserves the right to refuse Orders, or supply prepaid or against cash without reason.

2.7 If a quotation requested from YongLi by the Buyer has not led to an agreement between YongLi, the Buyer is obliged to reimburse to YongLi the costs incurred by YongLi relating to the quotation prepared.

2.8 YongLi has the right to revoke a quotation, even in case the quotation contains a period for acceptance and was accepted by the Buyer within this period. YongLi has this option in any event during two working days after the acceptance.

Article 3: Agreement

3.1 Subject to the following, an agreement with YongLi is non-binding until YongLi has accepted or confirmed the Order in writing and/or when YongLi has started execution of the agreement.

3.2 The order confirmation is supposed to be correct and complete in reflecting the agreement.

3.3 In case the Order is not confirmed or accepted in writing, both parties will regard the invoices as the order confirmation; which will reflect the agreement in full and correctly.

3.4 Additional agreements or changes, as well as verbal agreements and/or promises made by employees of YongLi or made or done by third parties on behalf of YongLi are only then binding for YongLi if confirmed by YongLi in writing in compliance with article 3.1.

3.5 Buyer is not entitled to transfer or mortgage his rights under the agreement to third parties.

3.6 YongLi is entitled at any time to involve third parties in the execution of the agreement if this is necessary or desired for a correct execution of the Order.



Article 4: Prices

4.1 Unless agreed upon differently all prices are:

- a. based on the actual information available at the time of the order confirmation;
- b. based on purchase prices, salaries, personnel costs, social and governmental charges, packing and other costs valid at the time of the order confirmation;
- c. ex works, warehouse or other place of storage;
- d. excluding packaging;
- e. excluding VAT, import duties and other forms of taxes or duties;
- f. excluding costs for loading on board, discharging, transport and insurance;
- g. stated in Euros, unless stated otherwise, occurring changes in the rate of exchange will be charged to the Buyer.

4.2 YongLi is entitled to increase the prices agreed upon if for any reason there are increases in costs of whatever nature, including (without limitation) those due to rises in materials, general pay rises, corrections for inflation, or transport costs.

4.3 Article 4.2 is also applicable for agreement delivered or executed by YongLi in parts, as far as these parts were not yet delivered or executed at the time that one or more of the cost factors have risen.

4.4 The prices relate to the products and services as specified by YongLi in the order confirmation. If the agreed products and services as specified in the order confirmation are changed at the request of the Buyer, YongLi is entitled to modify the agreed price accordingly.

4.5 All prices notified by YongLi are exclusive of turnover tax and other statutory levies. YongLi shall not be bound by prices not notified in a quotation sent exclusively to the Buyer. No rights may be derived by others from a price notified in a quotation to a Buyer.

Article 5: Delivery times

5.1 Indicated and agreed delivery times are always estimated by YongLi and can never be regarded as firm dates. Final delivery times can only apply if explicitly indicated in writing as an exact and final delivery time in the order confirmation.

5.2 Delivery times are set in the expectation that YongLi can continue working and producing as can be expected at the time of the order confirmation and products required from third parties are duly supplied and services required from third parties are done in time as expected.



5.3 Should these expectations appear unjust, even though as a result of foreseeable circumstances at the time of making the agreement, the delivery time will be prolonged with as many days as the delay has occurred.

5.4 The delivery time will also be extended if the Buyer changes the Order, after realising the agreement, or delays the execution of the Order in any other way.

5.5 In case the Buyer is of the opinion that the delay of the delivery time, indicated by YongLi as an approximate period of time, is unreasonable, the Buyer is obliged to inform YongLi by means of a registered letter of a more realistic delivery time.

5.6 Exceeding the delivery time, set by YongLi as an approximate period, does not entitle the Buyer to be supplied ex stock in case the supply from a third party was purchased.

5.7 In the case of delivery on-call, the delivery time will be determined in agreement with the Buyer. The Buyer is obliged to call up the products within the set time period, and in the absence thereof, within four months, unless agreed upon otherwise in writing.

Article 6: Delivery

6.1 YongLi is obliged to deliver the agreed sizes and other specifications to the Buyer, provided that small deviations are allowed (positive as well as negative). These deviations are expected to be part of the agreement between the parties. The selling price will be lowered or raised in accordance with the deviations.

6.2 Unless otherwise agreed upon in writing, delivery is made ex works.

6.3 If the parties agree that YongLi will be responsible for the carriage of the products, the costs of transport will be imposed on the Buyer, without prejudice to the provisions of article 8.2 (transfer of risks).

6.4 When agreed that YongLi is responsible for the carriage of the products, YongLi is entitled to choose the means of transport, in which impediments or temporary hindrance of the chosen means of transport do not oblige YongLi to choose another means of transport, unless agreed differently in writing.

6.5 If the finished product cannot be transported to its place of destiny immediately or within the agreed delivery time, due to any cause incurred by the Buyer, YongLi has the right, without being held liable, to store these products to the account and the risk of the Buyer within the YongLi premises or with third parties, and to demand for payment as if delivery has taken place.



6.6 In case YongLi stores the products due to any cause incurred by the Buyer, YongLi shall put the Buyer in default in writing and grant the Buyer a reasonable term to take receipt of the products. If the Buyer fails to do so within this period, YongLi has the right to sell the products to third parties, in which case the total indebted amount of the Buyer to YongLi will be reduced with the net results.

6.7 YongLi has the right to deliver the products in sections (section deliveries), which can be separately invoiced and which have to be paid by the Buyer according to what is mentioned in article 7.

6.8 Products accepted by the Buyer from YongLi, that the Buyer has fully or partly taken into service, processed or delivered to others are deemed to comply with the agreement.

6.9 Unless explicitly stated differently on the invoices, the package material that YongLi uses and in which the products will be delivered to the Buyer is designed for single use. YongLi is therefore not induced to take back the package materials neither to pay for storage nor for destruction of the package material.

Article 7: Payments

7.1 The Buyer has to pay the invoice to YongLi within 30 days after the date of the invoice by bank transfer to or deposit in bank account, number mentioned on the invoice, unless agreed differently. The date that is mentioned on the bank receipts of YongLi will be regarded as the official day of payment.

7.2 Any set-off, deduction, discount or suspension of the payment obligation shall not be allowed, unless YongLi has unconditionally and unequivocally acknowledged the counter-claim in writing.

7.3 If the Buyer fails to pay within the term agreed, YongLi has the right to charge 2% interest per month on the full outstanding amount of the invoice as from the invoice due date.

7.4 Any extrajudicial collection costs incurred by YongLi in order to effect fulfilment of the Buyer's obligation shall be borne by the Buyer. These costs shall at any rate be fixed at no less than 15% of the amount due, without prejudice to the Seller's right to claim the higher actual loss, including (without limitation) the legal costs actually incurred by it, based on the rates of the Dutch National Bar.

7.5 The Buyer is obliged, upon the YongLi's first request, to immediately provide security for the payment of one or more outstanding invoices or orders. YongLi explicitly reserves the right to demand either an advance payment, a letter of credit (documentary credit) or any other form of payment bond or security, all of this exclusively at the YongLi's discretion. Any costs involved in the provision of security shall be borne by the Buyer.



7.6 Also in connection with the stipulations of article 6, YongLi shall be entitled to suspend / postpone the transportation of its products to the Buyer, if the purchase amount has not, or not yet, been paid in full or if no security is provided in good time. Any storage costs and any other costs ensuing therefrom shall be borne by the Buyer.

Article 8: Retention of title / transfer of risks

8.1 Notwithstanding actual delivery, title of the products will not pass until the Buyer has fully paid everything he owes YongLi by virtue of this or other agreements (including any interests, penalties, costs). As long as the Buyer has not fulfilled his payment obligations, he is not entitled to transfer ownership of the supplied products, or grant third parties any other rights thereto.

8.2 From the moment the products leave the building/storehouse of YongLi, or when the products are made available to the Buyer, all risks pass on to the Buyer.

8.3 The Buyer shall be under the obligation to insure the products delivered under retention of title and keep them insured against fire and theft. The Buyer has to unconditionally carry over any claims deriving from the insurance contract to YongLi at the first request.

8.4 In case the products delivered under retention of title are stored with a third party, the Buyer will notify the third party thereof, but without resulting in any obligation for YongLi to pay for storage or other costs.

8.5 YongLi remains entitled to take back or to keep the products until the Buyer has paid the indebted amount, including costs, interest and/or compensations. YongLi is also authorised to sell the products to third parties, in which case the total indebted amount will be reduced with the net result of the sale.

8.6 In case the Buyer does not meet his or her payment obligations towards YongLi, or in case YongLi has a well-founded reason to believe that the Buyer will not be able to pay, YongLi, has, without being held liable, the right to take back the products delivered under retention of title. The Buyer authorises YongLi to enter the place where those products are kept and to actually take the products back. After taking the products back YongLi will invoice the Buyer for the market value of the products which can never be higher than the original price of sale, reduced with the costs involved with taking the products back.



Article 9: Guarantee and right to complain

9.1 YongLi guarantees the reliability of the products delivered and the quality of the material used therefore and delivered.

9.2 The guarantee period shall commence at the moment the products leave the building/storehouse of YongLi, or when the products are made available to the Buyer.

9.3 The guarantee does not cover defects occurring in whole or in part in case:

- a. the products are not used in conformity with YongLi's instructions and with generally accepted directions for use;
- b. of normal wear;
- c. of repairs or modifications made to the products by third parties, including the Buyer;
- d. the products are combined with other products on the Buyer's request, whether manufactured by YongLi or not;
- e. of parts of the products are provided from third party suppliers.

9.4 In case of defects YongLi will, at its discretion, repair or replace the products, or settle a reasonable compensation. This shall only apply in so far as the Buyer is able to prove that the defect(s) occurred within 12 months after the delivery in accordance with article 6. The defect(s) should exclusively or predominantly be a direct consequence of an incorrectness in the construction as applied by YongLi or of faulty workmanship or the use of faulty material.

9.5 All complaints should be reported to YongLi in writing to the address that is mentioned on the invoices. Complaints about visible defects should be reported within 21 days after delivery at the latest. Complaints about hidden defects should be reported within 21 days following discovery.

9.6 In the event the Buyer fails to meet in a prompt or proper manner any obligation arising from any agreement with YongLi, the guarantee becomes void.

9.7 Complaints about invoices should be presented to YongLi in writing within 14 days after the date of invoice.

Article 10: Liability

10.1 The liability of YongLi shall be restricted to fulfilment of the guarantee obligations as described in article 9 of these Terms and Conditions.

10.2 Save gross negligence or intention of YongLi, any liability of YongLi, including liability for consequential loss, loss due to delay, business interruption and any other indirect loss or damage and for loss or damage sustained by third parties, is disclaimed.



10.3 Liability is limited to the net value of the invoice of the delivered goods and/or services and in any case and at all times limited to the maximum amount paid out by YongLi's insurer(s).

10.4 Any right to claim compensation is subject to the condition that the Buyer shall notify YongLi in writing as soon as is reasonably possible after the loss or damage has arisen.

10.5 In case when YongLi is held liable for damage to third parties, caused by products delivered or services provided by YongLi, the Buyer is obliged to unconditionally safeguard YongLi in those cases when YongLi is not responsible (anymore) towards the Buyer, either on the grounds of these conditions, or on other grounds.

10.6 YongLi is not liable for damage to third parties that is caused by violations of patents, copyrights and/or other intellectual proprietary rights through use of drawings, materials, parts or procedures that are given or prescribed to YongLi by or for the Buyer. The Buyer is induced to safeguard YongLi against these responsibilities.

Article 11: Intellectual property

11.1 YongLi reserves all rights in relation to the intellectual property in respect of information made available to the Buyer in connection to the agreement, such as drawings, schedules, designs, calculations, descriptions, software and corresponding technical documentation. This information may never be used, copied, imitated, disclosed or handed over to third parties without prior written consent of YongLi.

Article 12: Early termination

12.1 If the Buyer fails to fulfil any obligation ensuing from any agreement with YongLi, particularly its obligation to pay, YongLi shall be entitled to suspend or terminate its obligations ensuing from the agreement referred to without any warning or notice of default.

12.2 Without prejudice tot the stipulations set out elsewhere in these General Terms and Conditions and without any judicial intervention or notice of default being required, the agreement concluded between YongLi and the Buyer shall be dissolved at the moment that the Buyer is declared bankrupt, has applied for a provision suspension of payment or, on account of an attachment or tutelage order or otherwise, loses the power to dispose of its property or parts thereof and/or the legal capacity to contract in respect of its property or parts thereof.



Article 13: Force majeure

13.1 In this article, force majeure is understood as circumstances that cannot be imputed to YongLi and that hinder YongLi to fulfil the agreement.

13.2 Force majeure as described in article 13.1 are also international conflicts, violent or armed conflicts, regulations of any national foreign or international government body, boycott actions, work riots with third parties or personnel of YongLi, malfunction in electricity supply, communication connections or other machinery or software of YongLi. In case such a circumstance occurs YongLi will do whatever can reasonable be asked from it to limit the damage for the Buyer.

13.3 During circumstances of force majeure the delivery, and other obligations, of YongLi will be postponed. In case the period, in which YongLi cannot meet its obligations through force majeure, lasts longer than two months, both parties have the right to terminate the agreement without legal intervention, without obligation to compensate damage or costs.

13.4 In case where YongLi has already partly met its obligations, or can only partly meet its obligations, YongLi has the right to invoice the supplied or to be delivered products or services separately, after which the Buyer is obliged to pay this invoice, as if in a separate agreement.

Article 14: Applicable law and disputes

14.1 The agreement between YongLi and the Buyer shall be governed by Dutch law. The applicability of the Vienna Sales Convention or other sales convention is expressly excluded.

14.2 Disputes which might arise between YongLi and the Buyer from any agreement concluded by YongLi with the Buyer or from any further agreements possibly resulting therefrom, shall be submitted to the competent court in the district where YongLi is established.