

General Terms & Conditions of Sale

Date: July 2009

1. DEFINITIONS

"**Seller**" means Vela Eurasia.

"**Buyer**" means the party identified in Seller's Quotation or Invoice who is purchasing products and/or services from Seller.

"**Sales Contract**" means a contract for sale by Seller to Buyer of the products and/or services; the Terms and Conditions are an integral part of the Sales Contract.

2. FORMATION OF CONTRACT

2.1 A Sales Contract shall come into existence only after Seller's quotation has been accepted by the Buyer by means of a formal purchase order.

2.2 Upon placing an order for goods the customer declares in a binding way that it wishes to purchase the ordered goods.

The Seller may accept the offer to enter into contractual relations contained in the order within two weeks of receipt of such by him. Acceptance may be either in written form or by delivery of the goods to the customer.

3. ORDERS, PRICE AND PAYMENT

3.1 The prices, payment terms and configurations of products and/or services are as expressly agreed in writing in the Seller's quotation.

3.2 Unless credit terms have been expressly agreed by Seller, payment for the products or services shall be made in full before physical delivery of products or provision of services. If Buyer does not pay any due payments in accordance with stipulated payment terms, for each overdue day, a default penalty of 0.03% of the overdue amount shall be paid; the foregoing default penalty, together with the overdue amount, shall be consolidated and paid by Buyer upon Seller's urging of payment. Until Buyer fully discharges any outstanding amounts which are due and owing, Seller shall have discretion to withhold delivery of products and/or provision of services. Seller reserves the right to demand immediate payment for any products and/or services that have already been dispatched.

3.3 Unless otherwise agreed in writing by Buyer and Seller, Buyer shall make payments to Seller in accordance with the chronological order of transactions undertaken, and Seller shall have discretion to apply any amounts received from Buyer in satisfaction of any sums due and payable by Buyer (including outstanding accounts receivables).

4. TITLE AND RISK

4.1 Title of the products shall pass to Buyer upon complete payment of all outstanding amounts from a current business relationship between the Seller and the Buyer.

4.2 Risk shall transfer to the Buyer at the time goods are brought to delivery or are collected.

5. DELIVERY & DELIVERY TIME

5.1 Seller shall, in accordance with stipulations in the Sales Contract, deliver the products to a designated receiver ("Designated Receiver") at the place of delivery ("Place of Delivery").

5.2 The products shall be deemed to have been delivered to Buyer upon the products reaching the designated Place of Delivery and Buyer having signed for receipt (either the Designated Receiver signing for receipt, or in circumstances where the Designated Receiver is unable to sign for receipt, Seller may agree to Buyer's signed receipt pursuant to an enterprise chop or other legally authorized chop).

5.3 Compliance with deadlines for deliveries shall be subject to the timely receipt of all documents to be provided by the Buyer, necessary drawings / specifications, as well as compliance with the agreed conditions of payments. In the event that such preconditions are not met on time, the deadlines for delivery shall be extended by a reasonable period. This shall not apply if the Seller is responsible for the delay.

5.4 In the event that non-compliance with the deadlines results from force majeure, e.g. mobilisation, war, unrest, or other similar events, e.g. strike, lockout, the deadlines shall be extended by a reasonable period.

5.5 At Seller's request the Buyer shall declare within a reasonable deadline whether the Buyer intends to withdraw from the contract as a result of the delay in delivery or whether it insists on the delivery.

5.6 In the event that the dispatch or receipt is delayed upon the request of the Buyer by more than one month after notification of readiness for shipment, the Buyer may be invoiced for storage charges to the amount of 2.0 % of the price of the goods for each commenced month.

6. ACCEPTANCE OF PRODUCTS

6.1 The products shall be deemed as being accepted upon delivery, unless Buyer notifies Seller to the contrary within five working days of delivery.

6.2 The Buyer shall not refuse receipt of deliveries due to unimportant defects.

7. WARRANTY

7.1 Unless specified otherwise, Seller warrants to Buyer that products, will be free from defects in materials and workmanship. If products do not meet the requirements, Seller will be responsible for the repair or replacement of such products. Any defects or non-conformities should be notified to the Seller in writing within thirty (30) days of discovery but no later than ninety (90) days of the delivery of the nonconforming or defective product. To cover for such eventualities, the Seller will have agreements in place with the originating manufacturers that stipulate the free replacement of defective or non-conforming parts.

7.2 Warranty does not cover damage, fault, failure or malfunction due to poor design, external causes, including accident, abuse, misuse, problems with electrical power, usage and/or storage and/or assembly not in accordance with industry good practice, failure to perform required preventive maintenance, normal wear and tear, act of God, fire, flood, war, act of violence or any similar occurrence; any attempt by any person other than Seller's personnel or any person authorised by Seller, to modify or repair the products and problems caused by use of parts and components not supplied by Seller.

8. LIABILITY

8.1 Unless otherwise specified by law, Seller's total liability herein in respect of each event or series of connected events shall not exceed the total price paid for the purchase of products and/or services under these Terms and Conditions.

8.2 Seller shall not be liable to Buyer for any consequential damages arising out of or in connection with the purchase, use or performance of products or services (including in circumstances where data or software is lost, corrupted, deleted or altered, etc.)

8.3 Both parties agree: Seller may in respect of any typographical error, clerical error or other omission in sales literature, quotations, price lists acceptances of orders, invoices or other documents or information issued by Seller, carry out corrections and the documents after correction shall govern.



9. GOVERNING LAW

These Terms and Conditions shall be governed by and construed in accordance with the laws of Hong Kong. Any dispute arising in connection with these Terms and Conditions shall to the extent possible be settled through friendly consultations between the parties. If the dispute cannot be settled through consultations, either party may refer the dispute to a competent People's Court where Seller is located to resolve through litigation.

10. GENERAL

Unless otherwise mutually agreed by the parties in writing, any alteration or amendment to or in connection with the Sales Contract shall be presented in writing and takes effect only after written confirmation by signature and/or legally authorized chop.