

GENERAL TERMS AND CONDITIONS

of STI Industrial Technical Supplies BV, acting in the name of ITS Industrial Technical Supplies, established and holding offices in Heiloo, hereinafter to be referred to as: ITS.

Section 1, Definitions

- 1.1 In these general terms and conditions, the terms used hereinafter shall have the following meaning, unless explicitly stated otherwise.
Client: the opposing party of ITS.
Agreement: the agreement between client and ITS.

Section 2, General

- 2.1 These terms and conditions apply to any offer, tender and agreement between ITS and any client to which ITS has declared these terms and conditions applicable, as far as these terms and conditions have not been explicitly deviated from by parties in writing.
2.2 The present terms and conditions also apply to any agreements with ITS for which third parties have to be involved for the execution.
Any deviations from these general terms and conditions shall only be valid if these have been explicitly agreed upon in writing by both parties.
2.4 The applicability of any purchasing or other terms and conditions of client shall explicitly be excluded.
2.5 If one or several of the provisions stated in these general terms and conditions are null and void or are nullified, the remaining provisions in these general terms and conditions shall remain fully applicable. ITS and client shall in that case enter into consultation in order to agree upon new provisions as replacements of the provisions that are null and void or nullified, in which the aim and intent of the original provisions are observed if and as far as possible.

Section 3, Offers and tenders

- 3.1 All offers are free of engagement, unless an acceptance period is stated in the offer.
3.2 All tenders offered by ITS are free of engagement; the tenders shall be valid for 30 days, unless stated otherwise in the concerning tender. ITS shall only be bound by the tenders if the acceptance thereof by the opposing party is confirmed within 30 days and in writing, unless agreed upon or stated otherwise.
3.3 Any delivery periods stated in the tenders of ITS shall be indicative and client shall never be entitled to annulment or damages if this period is exceeded, unless explicitly agreed otherwise in writing.
3.4 Any prices stated in the aforementioned offers and tenders shall be exclusive of VAT and other governmental levies, as well as any transport or packaging costs, unless explicitly stated otherwise.
3.5 If the acceptance deviates from the offer included in the tender (on the minor points stated below), ITS shall not be bound by this offer. The agreement shall in that case not be concluded in conformity with this deviating acceptance, unless ITS indicates otherwise.
3.6 Any drawn-up estimates shall not oblige ITS to deliver part of the assignment for a corresponding part of the given price.
3.7 Offers or tenders shall not automatically apply to future assignments and reorders.

Section 4, Execution of the agreement

- 4.1 ITS shall carry out the agreement with good intent, to the best of its abilities and in accordance with the demands of good workmanship. The aforementioned shall be carried out on the basis of current technologies.
4.2 ITS shall be allowed to have certain work carried out by third parties, if and as far as this is necessary to ensure a proper execution of the agreement.
4.3 Client shall ensure that any data that ITS states as being required or which client should reasonably know of that these are required for the execution of the agreement, are provided to ITS in time. If the data required for the execution of the agreement is not provided to ITS in time, ITS shall be empowered to postpone execution of the agreement and/or charge client with any extra costs resulting from the delay in the execution of the agreement, in accordance with its usual tariffs.
4.4 ITS shall not be liable for any damage, of any nature, caused by incorrect and/or incomplete data provided by client, unless the incorrectness or incompleteness thereof should have been known to ITS.
4.5 If parties have agreed upon execution of the agreement in stages, ITS shall be allowed to postpone the execution of those parts that belong to a following stage until client has approved the results of the previous stage in writing.
4.6 If ITS or any third parties called-in by ITS in the framework of the assignment carries/carry out any work at the location of client or at a location appointed by client, client shall free of charge provide any facilities reasonably required by the employees of ITS or called-in third parties.
4.7 Client shall indemnify ITS against any claims of third parties who in connection with the execution of the assignment suffer any damage that can be imputed to client.

Section 5, Delivery

- 5.1 Delivery is carried out ex-factory / -warehouse of ITS.
5.2 If delivery is carried out on the basis of "incoterms", the "incoterms" valid at the time of conclusion of the agreement shall apply.
5.3 Client shall be obliged to purchase the items the moment ITS delivers these or has these delivered to him, or the moment these items shall be placed at his disposal according to the agreement.
5.4 If the client refuses to purchase the items or is negligent in the provision of information or instructions necessary for the delivery, ITS shall be competent to store the items at the expense and risk of client.
5.5 ITS shall be competent to charge any delivery costs to client, if the items are delivered.
5.6 If ITS requests data from client, required in the framework of the execution of the assignment, the period of delivery shall take effect as soon as client has provided these data to ITS.
5.7 Any period of delivery stated by ITS shall be indicative. A stated period of delivery shall therefore never be a fatal period. If a period of delivery is exceeded, client shall hold ITS liable in writing.
5.8 ITS shall be empowered to deliver the items in partial deliveries, unless deviated from in the agreement or if the partial delivery has no nominal value. ITS shall be empowered to invoice any partial deliveries separately.
5.9 If parties have agreed that the agreement shall be fulfilled in stages, ITS shall be competent to postpone the execution of parts that belong to a following stage until client has approved the results of the previous stage in writing.

Section 6, Samples and models.

- 6.1 If client has been provided with or has been shown a sample or model, this model or sample shall be assumed to have been provided only as an indication without the actual item having to resemble it, unless it has been explicitly agreed upon that the product to be delivered must be similar to the sample or model.

Section 7, Research, claims

- 7.1 Client shall be held to inspect the items at the moment of delivery, or at least as soon as possible after delivery. Client shall inspect the quality and quantity of the delivered items and determine if these are in accordance with that which has been agreed upon, or meet the demands that apply in standard business traffic.
7.2 Any visible defects shall be reported to ITS in writing within three days after delivery. Non-visible defects shall be reported to ITS in writing within three weeks after detection of the defect or not later than 12 months after delivery.
7.3 If as a result of the previous paragraph a claim is made in time, client shall still be obliged to take and pay the purchased items. Client can only return the faulty items to ITS after prior written consent of ITS and in the manner indicated by ITS at that moment.

Section 8, Fees, price and costs.

- 8.1 If ITS and client have agreed upon a fixed purchasing price, ITS shall nonetheless be competent to increase the price in the cases stated below.
8.2 ITS can only pass on any increase in prices if ITS can prove that between the moment of offering and execution of the agreement significant price changes have occurred with regard to for example exchange rates, wages, raw materials, semifinished products or packing material.
8.3 If the increase in price amounts to more than 10%, client shall be empowered to annul the agreement, unless this increase in price is the result of a change in the agreement or a competence to change the agreement in accordance with the law.
8.4 Prices used by ITS shall be exclusive of VAT and any other levies, as well as any costs to be made in the framework of the assignment, including any shipping and administrative costs, unless indicated otherwise.

Section 9, Changes in the agreement

- 9.1 If during the execution of the agreement, it is found that for a proper execution of the agreement it is necessary to change and/or supplement the work to be carried out, both parties shall in time and in mutual consultation adapt the agreement accordingly.
9.2 If parties agree that the agreement shall be changed and/or supplemented, the time of completion may be influenced by this. ITS shall inform client of this as soon as possible.
9.3 If the change and/or supplementation has any financial and/or qualitative consequences, ITS shall inform client of this in advance.
9.4 If a fixed rate has been agreed upon, ITS shall indicate in how far the change or supplementation of the agreement will result in an exceeding of this fixed rate.
9.5 In contravention to these provisions, ITS shall not be empowered to charge any additional expenses if the change or supplementation of the agreement is the result of circumstances that can be imputed to ITS.

Section 10, Payment

- 10.1 Payment must be carried out within 30 days after invoice date, in the currency stated on the invoice. Objections against the height of the invoice amount shall not suspend the liability to pay.
10.2 If client does not pay within the term of 30 days, client shall be legally in default. Client shall then owe an interest of 1% a month, unless the legal interest is higher in which case the legal interest shall apply. The interest on the claimable sum shall be calculated from the moment that client is officially in default until the moment of settlement of the full sum.
10.3 In the event of liquidation, bankruptcy, attachment or moratorium of client, any claims of ITS towards client shall be immediately claimable.
10.4 ITS shall be empowered to have the payments made by client procured, first after deduction of the costs, then after deduction of the interest that has fallen vacant and finally after deduction of the main sum and current interest. ITS can, without risking default, refuse any payment offer, if client indicates a different order for the assignment of payment. ITS can refuse full settlement of the main sum, if the costs and interest that have fallen vacant are not paid in full.

Section 11, Retention of title

- 11.1 Any items delivered by ITS, including any designs, drafts, drawings, films, software, (electronic) files, etc, shall remain the property of ITS until client has fulfilled all of the following obligations resulting from any agreements concluded with ITS.
11.2 Client shall not hypothecate or mortgage in any other way any items that are not covered by the retention of title.
11.3 If third parties seize the items covered by the retention of title or wish to establish or claim rights on these items, then client shall be obliged to inform ITS of this as soon as can be reasonably expected.
11.4 Client shall commit himself to insure and keep insured the items covered by the retention of title against fire loss, explosion damage and water damage as well as against theft and shall hand over the insurance policy for inspection at first request.
11.5 Any items delivered by ITS, by virtue of which the provisions stated in 9.1 of this section are covered by the retention of title, may only be resold in the framework of ordinary business activities and may never be used as a means of payment.
11.6 If ITS wishes to exercise its retention of title as indicated in this section, client shall now grant absolute and irrevocable permission to ITS or third parties to be appointed by ITS to access any locations that hold any property of ITS and to take back those items.

Section 12, Guarantee

- 12.1 ITS shall guarantee that the items to be delivered meet all common, generally accepted demands and standards and that they are free from any flaws.
12.2 The guarantee stated in 12.1 shall also apply if the items to be delivered are intended for use abroad and if client has informed ITS explicitly and in writing of this intended use abroad at the moment of conclusion of the agreement, or when client himself is established abroad.
12.3 The guarantee stated in 12.1 shall apply for the duration of a period of 6 months after delivery for products that are used for a maximum of 12 hours a day and a period of 3 months for products that are used 24 hours a day.

- 12.4 If the items to be delivered do not meet these guarantees, ITS shall, if returning of the items cannot reasonably be expected, replace the items or have the items repaired, whichever ITS prefers, within reasonable term after receipt of the items, and after client has informed ITS in writing about the defective item. If the item is replaced, client shall commit himself to immediately return to ITS the item that has been replaced and transfer ownership of the item to ITS.
- 12.5 The aforementioned guarantee shall not apply if the defect is the result of improper use or if, without written approval of ITS, client or any third parties have altered the item or have tried to alter the item or have used the item for purposes other than the purpose the item is intended for.
- 12.6 If the guarantee provided by ITS concerns an item that was produced by a third party, this guarantee shall be limited to the guarantee provided by the manufacturer of that particular item.

Section 13, Collection expenses

- 13.1 If client is in default of a (timely) fulfilment of his obligations, then all reasonable expenses incurred in order to achieve extrajudicial payment shall be at the expense of client. In any case, client shall owe collection expenses in the event of a monetary claim. The collection costs shall be calculated in accordance with the collection fee as recommended by the Dutch Law Society in collection matters.
- 13.2 If ITS has incurred higher expenses, which were necessary in reason, these too shall be eligible for reimbursement.
- 13.3 Any reasonably incurred judicial and execution costs shall also be at the expense of client.

Section 14, Suspension and annulment

- 14.1 ITS shall be empowered to suspend the fulfilment of the obligations or annul the agreement, if:
- Client does not or not fully fulfil the obligations arising from the agreement.
 - Any circumstances that cause good reason to fear that client shall not fulfil its obligations are brought to the attention of ITS after conclusion of the agreement. If there is good reason to fear that client shall only partly or not properly fulfil its obligation, the suspension shall only be permitted as far as the shortcoming justifies it.
 - Client at the moment of conclusion of the agreement is requested to stand surety for the fulfilment of his obligations arising from the agreement and this surety is not provided or proves to be insufficient.
- 14.2 In addition, ITS shall be empowered to annul or have annulled the agreement if circumstances arise which are of such a nature that fulfilment of the agreement is impossible or in reasonableness and in fairness can no longer be demanded or if circumstances arise which are of such a nature that unchanged maintenance of the agreement in reasonableness can no longer be expected.
- 14.3 If the agreement is annulled, any claims of ITS towards client shall be immediately claimable. If ITS suspends the fulfilment of the obligations, he shall retain his legal claims and claims arising from the agreement.
- 14.4 ITS shall at all times retain the right to claim compensation.

Section 15, Returning provided items

- 15.1 If ITS has provided items to client to be used for the execution of the agreement, client shall return all items provided by ITS within 14 days, in their original condition and clear of defects. If client does not fulfil this obligation, any expenses arising from the nonfulfilment of the obligation shall be at the expense of client.
- 15.2 If client, for any reason whatsoever, remains in default of the obligation stated in 15.1 after being reminded thereof, ITS shall be empowered to recover from client any losses and costs resulting from this, including any replacement costs.

Section 16, Liability

- 16.1 If any of the items delivered by ITS are found to be faulty, ITS' liability towards client shall be limited to that which has been agreed upon in these terms and conditions under "Guarantees".
- 16.2 If ITS is liable for direct loss, this liability shall be limited to the sum of the assignment, which client would owe ITS in the event of full fulfilment of the concerning assignment, irrespective of the nature and extent of this assignment, however with a maximum of € 500,000.-. For assignments which can be considered recommendations in the field of mechanical engineering and technical installations, in contravention to the provisions stated in the previous paragraph of this clause, ITS shall fully reimburse to client this suffered loss with a maximum of € 60,000.- for any assignment that includes all stages, from preliminary inquiry/design up to and including the completion and delivery of the object, and by virtue of which client shall owe ITS less than € 60,000.-.
- 16.3 A direct loss is exclusively understood to mean:
- a any reasonable costs incurred for the determination of the cause and extent of the loss, as far as the determination concerns a loss in the sense of these terms and conditions;
 - b any reasonable costs incurred in order to ensure that the inadequate performance of ITS meets the agreement, unless this inadequate performance cannot be imputed to ITS;
 - c any reasonable costs, incurred for the prevention or limitation of loss, as far as client is able to prove that these costs have led to a limitation of direct loss as intended in these general terms and conditions.
- 16.4 ITS shall never be liable for any indirect loss, including any consequential loss, loss of income, missed savings and any loss as a result of operational stagnation.
- 16.5 The limitations of liability for direct losses included in these terms and conditions shall not apply if the loss can be imputed to malice aforethought or serious misconduct on the part of ITS or its subordinates.

Section 17, Transfer or risk

- 17.1 The risk of loss of or damage to the items that are the subject of the agreement, shall be transferred to client the moment that these are legally and/or factually delivered to client and therefore are brought into the power of client or of a third party to be appointed by client.

Section 18, Force Majeure

- 18.1 Parties shall not be held to fulfil any obligation if they are obstructed in doing so as a result of a circumstance that cannot be attributed to fault and which shall not be at their expense by virtue of the law, a legal act or a view applicable in the trade.
- 18.2 Force Majeure in these terms and conditions shall be understood to mean, in addition to that which it is understood to mean in Dutch law and jurisprudence, any external causes, predicted or unpredicted, which ITS does not have any influence on, yet which causes ITS to be incapable of fulfilling its obligations. This includes walkouts in the company of ITS.
- 18.3 In addition ITS shall be empowered to appeal to force majeure if the circumstance that obstructs any (further) fulfilment, occurs at a time at which ITS should already have fulfilled its obligations.
- 18.4 Parties can, during the period of force majeure, suspend any obligations arising from the agreement. If this period lasts longer than two months, either party shall be empowered to annul the agreement, without being obligated to reimburse any loss or damage incurred by the other party.
- 18.5 If ITS, at the moment of commencement of the force majeure situation, has partially fulfilled its obligations arising from the agreement or shall be able to fulfil these obligations, and a nominal value accrues to the fulfilled or to be fulfilled part, ITS shall be empowered to separately invoice the fulfilled or to be fulfilled part. Client shall be held to pay this invoice as if it were a separate agreement.

Section 19, Indemnities

- 19.1 Client shall indemnify ITS against any claims from third parties with regard to the rights of intellectual property on the materials or data provided by client, which are used for the execution of the agreement.
- 19.2 If client provides ITS with any data carriers, electronic files or software, etc, client shall guarantee that the rights of ownership or performing rights shall not be violated by third parties and that the data carriers, electronic files or software are free from viruses and defects.

Section 20, Intellectual property and copyright

- 20.1 Without prejudice to the other provisions in these terms and conditions, ITS shall retain the rights and authorizations that belong to ITS according to the copyright Act.
- 20.2 Any documents, such as designs, drafts, drawings, films, software and electronic files provided by ITS, shall exclusively be intended to be used by client and may not be copied, published or made available to third parties without prior consent of ITS, unless following differently from the nature of the provided documents.
- 20.3 ITS shall retain the right to use its increased knowledge, as a result of the execution of the work, for other purposes, provided that no confidential information is brought to the attention of third parties.

Section 21, Secrecy

- 21.1 Both parties shall be held to secrecy regarding any confidential information that they may have obtained from one another or other sources in the framework of their agreement. Information is considered confidential if it has been communicated by the other party or if confidentiality results from the nature of the information.
- 21.2 If, by virtue of a legal provision or judicial decision, ITS is held to provide confidential information to third parties that have been appointed by law or by the competent judge, and ITS in this matter is not able to appeal to the right to refuse to give evidence, by law or recognized or allowed by the competent judge, then ITS shall not be held to pay any damages or compensation and the opposing party shall not be empowered to annul the agreement on the basis of any loss, that may have been caused as a result of this.

Section 22, Non-purchase of staff

- 22.1 Client shall for the duration of the agreement as well as until one year after termination thereof, in no way, except if a good business consultation in this matter has been concluded with ITS, employ or call in, directly or indirectly, any employees of ITS or of companies ITS has contracted for the execution of this agreement and which are or were involved in the execution of the agreement.

Section 23, Disputes

- 23.1 Any disputes that may arise with regard to the legal relationship between client and ITS or a third party shall be settled at the District Court in Alkmaar.
- 23.2 Parties shall not appeal to the judge until after they have done their utmost best to settle any disputes between them in mutual consultation.

Section 24, Applicable law

- 24.1 All agreements between ITS and the client is subject to Dutch law. The United Nations Convention on Contracts for the International Sale of Goods is explicitly excluded.

Section 25, Change and location of the terms and conditions

- 25.1 These general terms and conditions have been filed at the District Court in Alkmaar.

Section 26, Language

- 26.1 This agreement is drawn up in the Dutch language. No rights and duties may be derived from translations of this agreement into languages other than the Dutch language. The Dutch version of this agreement prevails over the English version.