



GENERAL CONDITIONS OF SALE, DELIVERY AND PAYMENT OF BROSHUIS B.V. IN KAMPEN (NL) AND BROSHUIS UK LIMITED IN UPPINGHAM, OAKHAM (GB) Filed at the registry of the Overijssel District Court, location Zwolle, under registration number 47/2005

§ 1 Applicability of these conditions

- 1.1. These General Terms and Conditions are used by Broshuis B.V. and/or Broshuis UK Limited, hereinafter each separately and jointly referred to as 'Broshuis'.
- 1.2. In these General Terms and Conditions, the other party is understood to mean the party, which has, by signing a document or in any other way, accepted the applicability of these General Terms and Conditions.
- 1.3. Unless otherwise expressly agreed on in writing, these General Terms and Conditions apply to all offers and agreements of purchase and sale, contracting for work, repair, maintenance or inspection or of whatever nature with Broshuis.
- 1.4. Insofar as not expressly agreed on otherwise in writing, these General Terms and Conditions apply and not the General Terms and Conditions of the other party. The applicability of the other party's General Terms and Conditions is expressly rejected.
- 1.5. Provisions deviating from and/or supplementing these General Terms and Conditions only apply if and insofar as these have been expressly confirmed in writing by Broshuis and apply exclusively to the agreement for which they have been drawn up and confirmed.
- 1.6. If at any time one or more provisions of these General Terms and Conditions prove to be void in full or in part or are otherwise non-enforceable, Broshuis and the other party remain bound to the other provision(s) of these General Terms and Conditions. Broshuis and the other party will replace the void or non-enforceable provision(s) by valid (a) provision(s), whereby the object and purport of the original provision(s) is taken into account as much as possible.

§ 2 Offers

- 2.1. All offers (and commitments) of (employees and/or representatives of) Broshuis are without obligation and non-binding, unless agreed otherwise in writing.
- 2.2. If the other party accepts an offer without obligation, Broshuis has the right to revoke the offer within three business days after receipt of the acceptance.
- 2.3. The other party cannot rely on information stated in catalogues, illustrations, drawings, indications of size and weight and such.

§ 3 Conclusion of the agreement

- 3.1. The agreement will only be concluded after written confirmation ('order confirmation') by Broshuis of the order or contract to the other party.
- 3.2. Minor or common deviations from the obligations to which Broshuis has committed itself with the order confirmation, are permitted.
- 3.3. All which Broshuis, after consultation with the other party, whether or not laid down in writing, delivers and/or installs during the performance of the agreement in excess of the quantities explicitly laid down in the order confirmation, or performs in excess of the work explicitly laid down in the order confirmation, is considered extra work.
- 3.4. Oral commitments by and agreements with employees and/or representatives of Broshuis do not bind Broshuis, unless it confirmed these in writing.

§ 4 Prices

- 4.1. The prices quoted by Broshuis in the offer and order confirmation are exclusive of turnover tax and packaging material and other government charges on the sale and delivery.
- 4.2. If after the order confirmation date one or more cost price factors are increased, even if this is due to foreseeable circumstances, Broshuis is entitled to alter the agreed price accordingly. The aforementioned cost price factors include among other things: taxes, excise duties, import duties, freight charges, devaluation, revaluation, export ban, industrial action and war risk. If the aforementioned price increase occurs within three months after the conclusion of the agreement, the other party has the right to terminate the agreement.
- 4.3. If the prices are expressed in foreign currency and after conclusion of the agreement the value of the currency in question compared to the euro changes in a way which is disadvantageous to Broshuis, the prices may be changed provided that the counter value in euros remains equal to the value at the time of conclusion of the agreement.

§ 5 Delivery and take-up

- 5.1. Unless agreed otherwise in writing, the delivery is deemed to have taken place ex works at the Broshuis location, in accordance with the most recent Incoterms, current on the date of the offer.
- 5.2. As soon as the products are ready for take-up, the other party will be notified of this in writing by Broshuis. The other party must take up the products within the period stated in Broshuis' order confirmation.
- 5.3. The other party must take up the product, even if individual components, exemption documents and test certificates are not yet available. Broshuis must make the above-mentioned still unavailable components and documents available to the other party as soon as reasonably possible.
- 5.4. In the event that the other party is late in taking up the goods, it is entitled to a further take-up period of eight business days, which takes effect on the first business day following the one on which the other party has received a written demand from Broshuis for taking up the goods. During the further take-up period of eight business days, the other party will not owe any additional costs.
- 5.5. The other party is required to take up the products on the date on which they are delivered or put at its disposal according to the agreement. If the other party refuses to take up the goods or fails to provide information or instructions necessary for the delivery, the products will be stored for the account and risk of the other party. In that case the other party is required to pay all additional costs, which in any case include storage costs at two percent of the invoice value per week.
- 5.6. If the other party also fails to take up the products within that extra term, Broshuis has the right to terminate or cancel the agreement concluded after that extra term by a simple written notification to the other party and without judicial intervention being required. The other party is required to compensate Broshuis for all damage and loss incurred due to the late take-up of the products.
- 5.7. If the other party accepts the products from the carrier, the other party signs for the take-up. This is proof that the packaging material is in good condition, unless the other party has entered a note to the contrary on the consignment note or the acknowledgement of receipt.
- 5.8. If a commissioning trial has been agreed on, it will be held in the presence of the other party. If the commissioning trial has been carried out without there being any specified and well-founded complaint of the other party, and also if the other party fails to comply with its obligations pursuant to Articles 5.6 and 5.7, the product is deemed to have been accepted.

§ 6 Term of delivery

- 6.1. The term of delivery stated in the order confirmation is no strict deadline, unless otherwise expressly agreed on in writing. Exceeding the term of delivery does not result in default of

Broshuis. If the term of delivery is exceeded, Broshuis is to be given a written notice of default. Broshuis must in that case be offered a reasonable term to still perform the agreement.

- 6.2. The term of delivery is based on the prevailing working conditions at the time of conclusion of the agreement and on a timely delivery of the materials ordered by Broshuis for the execution of the work. If through no fault of Broshuis there is delay due to a change in the above-mentioned working conditions or on account of the fact that the ordered materials necessary for the execution of the work are not delivered in time, the term of delivery will be extended insofar as necessary.
- 6.3. As regards the term of delivery, the product is deemed to have been delivered when it is ready for inspection, if inspection was agreed with Broshuis. In other cases, the product is deemed to have been delivered when it is ready for transport, all this after the other party has been informed of this in writing.
- 6.4. Without prejudice to the provisions elsewhere in these General Terms and Conditions regarding the extension of the term of delivery, the latter will be extended by the duration of the delay arisen on the part of Broshuis as a consequence of failure of the other party to comply with any obligation arising from the agreement or co-operation to be required from it with respect to the performance of the agreement.
- 6.5. Except for intention or gross negligence on the part of Broshuis, exceeding the term of delivery does not entitle the other party to terminate the agreement in whole or in part. Exceeding the term of delivery - no matter by what cause - does not give the other party the right, without judicial authorisation, to carry out activities for the performance of the agreement or to have these carried out.

§ 7 Force majeure

- 7.1. There is force majeure on the part of Broshuis, if Broshuis, after conclusion of the agreement, is prevented from complying with its obligations under this agreement or the preparation thereof as a consequence of war, war risk, civil war, terrorism, riot, acts of war and willful damage, fire, water damage, flood, industrial action, factory occupation, lock-out, import and export impeding measures, government measures, mechanical defects, a general lack of necessary raw materials and other products or services necessary for the realisation of the agreed performance, failures in the delivery of energy, whether at the company of Broshuis or at third parties from whom Broshuis must purchase all or part of the necessary materials or raw materials, as well as during storage or transport, whether or not under own management, and furthermore as a consequence of all other causes arising through no fault or outside the control of Broshuis.
- 7.2. Broshuis also has the right to invoke force majeure, if the circumstance which prevents (further) performance occurs after Broshuis should have fulfilled its obligation.
- 7.3. During force majeure, Broshuis' delivery and other obligations will be suspended. If the period in which performance of the obligations by Broshuis is impossible due to force majeure lasts longer than three months, both parties are entitled to terminate the agreement, without there being any obligation to pay compensation.
- 7.4. If at the commencement of the force majeure Broshuis has already partly fulfilled its obligations, or can only partly fulfil its obligations, it is entitled to invoice separately the part already delivered or the part that can be delivered, and the other party is required to pay this invoice as if it concerned a separate agreement.

§ 8 Termination and suspension

- 8.1. If the other party is entitled to terminate the agreement pursuant to Article 6:265 Dutch Civil Code, Broshuis is entitled to demand immediate payment of the raw materials, materials, components and other products which it has reserved, started to process and has manufactured for the performance of the agreement, this with a value that should reasonably be attached thereto. The other party is obliged to compensate Broshuis by payment of at least 25% of the purchase price. In case of termination, the other party will indemnify Broshuis against claims of third parties in connection with claims which these third parties can substantiate against Broshuis and which are directly connected to the termination of the agreement referred to in this article.
- 8.2. If the other party fails to fulfil, adequately or timely, any obligation arising from the agreement concluded with Broshuis, or if it is open to serious doubt whether the other party is able to fulfil its contractual obligation, Broshuis is entitled, without any notice of default being required and without judicial intervention, either to suspend the performance of the agreement concerned for no more than three months or to terminate this agreement in whole or in part, such without being obliged to pay any compensation and without prejudice to its other rights.
- 8.3. During the suspension period, Broshuis is entitled to continue the performance of the agreement or to terminate the agreement in whole or in part. After the end of the suspension period, Broshuis must comply with the agreement or terminate the agreement in whole or in part.
- 8.4. In case of suspension pursuant to Article 8.2 of these General Terms and Conditions, the agreed price becomes immediately due and payable, after deduction of the instalments already paid and of the costs saved by Broshuis due to the suspension, and Broshuis is entitled to have the raw materials, materials, components and other products which it has reserved, started to process and has manufactured for the performance of the agreement, stored for the account and risk of the other party. In case of termination pursuant to Article 8.3, the agreed price becomes immediately due and payable - if no prior suspension has taken place - with deduction of the instalments already paid and of the costs saved by Broshuis due to the termination, and the other party is required to pay this amount within a term to be set by Broshuis, failing which Broshuis is authorized to have these products stored or sold at the expense and risk of the other party. In the event of a sale, Broshuis is entitled to the proceeds of the sale.

§ 9 Intellectual property rights

- 9.1. Documentation, drawings, moulds, models, illustrations or similar technical specimens are and remain the property of Broshuis, unless agreed otherwise in writing, even if the other party has been charged costs in this regard. The other party is not allowed to make the aforementioned documentation, drawings etc. available to third parties, to make them available for inspection, to copy them, to use them or to make statements about them without the prior written permission of Broshuis. The aforementioned documentation, drawings, etc. must be immediately returned to Broshuis at its first request.
- 9.2. If Broshuis makes use of documentation, drawings, moulds, models, illustrations or similar technical specimens made available by the other party, the latter warrants to Broshuis that the performance of the assignment will not infringe the intellectual property rights of third parties or misuse the company secrets of third parties. The other party indemnifies Broshuis against claims by third parties on that account.
- 9.3. For each breach of the provisions of paragraph 9.1, the other party is obliged to pay a penalty of at least EUR 2,000.00 per violation - i.e. every infringing act - without prejudice to Broshuis' rights to full compensation and/or performance or termination of the agreement.

§ 10 Retention of title and reservation of risk

- 10.1. After the product has been delivered within the meaning of Article 5(2), the other party carries the risk for all direct and indirect damage that might be caused to or by this product, except for intent or gross negligence on the part of Broshuis.





- 10.2. The products delivered by Broshuis remain the property of Broshuis until the other party has complied with the following obligations arising from all purchase agreements concluded with Broshuis:
- the consideration(s) in respect of the product(s) delivered or to be delivered,
 - the consideration(s) in respect of the services provided or to be provided by Broshuis pursuant to the agreement(s),
 - possible claims on account of non-compliance by the other party of the agreement(s).
- 10.3. Products delivered by Broshuis, which pursuant to Article 10.2 are covered by the retention of title, are only permitted to be resold within the framework of normal business operations. However, the other party is not entitled to pledge the products or to establish any other right thereon.
- 10.4. If the other party fails to fulfil its obligations or if there is a well-founded fear that it will fail to do so, Broshuis has the right to re-possess delivered products to which retention of title as meant in Article 10.2 applies, from the other party or from third parties who hold the products for the other party. The other party is required to render all assistance to this under pain of a penalty of a penalty of ten percent per day of the amount payable.
- 10.5. If third parties wish to establish or enforce any right to the products delivered under retention of title, the other party is required to inform Broshuis as soon as reasonably may be expected.
- 10.6. At Broshuis' first request the other party agrees:
- to insure the products delivered under retention of title and to keep them insured against damage by fire, explosion and water and against theft and to allow inspection of the policy of this insurance;
 - to pledge to Broshuis, in the way prescribed in Article 3:239 Dutch Civil Code, all claims of the other party against insurers in respect of the products delivered under retention of title;
 - to pledge to Broshuis, in the way prescribed in Article 3:239 Dutch Civil Code, the claims which the other party has against its customers from reselling the products delivered by Broshuis under retention of title;
 - to mark the products delivered under retention of title as Broshuis' property;
 - to render assistance in other ways to all reasonable measures which Broshuis wishes to take in order to protect its property rights with respect to the products and which do not unreasonably impede the other party in the normal operation of its business.

§ 11 Payment

- 11.1. Payment is to be made within the term of payment stipulated, by transferring the amount payable to an account number of Broshuis as indicated on the invoice. Setoff is not permitted. After expiry of the term of payment, the other party is in default; from the moment of being in default the other party is obliged to pay interest on the amount payable at the rate of the statutory interest plus two percent and extrajudicial collection costs on the amount payable (see Article 12.1).
- 11.2. In the event of liquidation, (an application for) bankruptcy or (an application for) suspension of payments of the other party, or in the event of circumstances in which the recovery of Broshuis' claim may reasonably be in danger, the other party's obligations are immediately due and payable. In all aforementioned cases Broshuis also has the right to discontinue all deliveries and/or all work, to re-possess, take away or retain products delivered and/or processed, without judicial intervention being required.
- 11.3. Payments made by the other party will always in the first place serve to settle all interests and costs payable, and in the second place to settle due and payable invoices which are longest outstanding, even if the other party states that the payment relates to a later invoice.
- 11.4. If the other party fails to pay within the set term of payment, it is deemed to be in default by operation of law and without any notice of default being required Broshuis has the right to charge interest at the rate of one and a half percent per month from the due date.
- 11.5. The payment of a claim by the other party by means of a bill of exchange or by cheque is only valid as such after cashing and payment to Broshuis has taken place without reservation.
- 11.6. Furthermore, in addition to the purchase price and interest of one and a half percent per month, Broshuis has the right to claim from the other party all judicial and extra judicial collection costs incurred due to overdue payments, which minimally amount to fifteen percent of the principal sum.

§ 12 Collection costs

- 12.1. If the other party is in default or fails to fulfil one or more of its obligations, all reasonable costs incurred to secure settlement out of court are borne by the other party. The other party is in any case obliged to pay:
- fifteen percent on the first EUR 3,000.00 of the invoice amount
 - ten percent on the excess up to EUR 6,000.00 of the invoice amount
 - eight percent on the excess up to EUR 15,000.00 of the invoice amount
 - five percent on the excess up to EUR 60,000.00 of the invoice amount
 - three percent on the excess
- If Broshuis shows to have incurred higher costs, which were reasonably necessary, these likewise qualify for compensation by the other party.
- 12.2. The other party is obliged to pay to Broshuis all judicial costs incurred by Broshuis in any court, unless unreasonably high. This only applies if Broshuis and the other party conduct judicial proceedings in respect of an agreement to which these general conditions apply and if a decision of the court becomes final and conclusive in which the other party is fully or mainly found at fault.

§ 13 Warranty and complaint

- 13.1. For a period of twelve months after the delivery as meant in Article 5, Broshuis warrants the construction, the quality of the material used and the reliability of the new (i.e. not second-hand) products delivered by Broshuis, and in addition - in case there is a question of contracted work - the reliability of the execution thereof; all in accordance with the requirements that, in view of the prior art at the time of manufacture, may be demanded of materials and manufacture or execution of work. This warranty is limited to replacement or repair free of charge in Broshuis' factories or workshops, while all costs of transport and dispatch, if any, with respect to this are borne by the other party.
- In any case the warranty does not cover defects which occur due to or are in whole or in part the consequence of:
- a. a failure to comply with operating and maintenance instructions, or other than the foreseen normal use;
 - b. normal wear and tear;
 - c. repairs by third parties including the other party;
 - d. the application of any government regulation in respect of the nature or quality of materials used.
- 13.2. If in Broshuis' opinion replacement or repair is not possible, Broshuis is at most obliged to pay compensation of the invoice amount in question.
- 13.3. Defects must be reported in writing as soon as possible after discovery thereof, but at the latest within fourteen days after expiry of the warranty period. If this term is exceeded, any claim against Broshuis in respect of those defects will lapse. Legal action with respect to such matters must be instituted within 1 year after the timely report, on pain of extinction.

- 13.4. The warranty can only be invoked, if the other party has complied with its obligations arising from the agreement, and consequently has observed all regulations, instructions of use and other instructions in respect of the products.
- 13.5. Products delivered or used by Broshuis and/or components of those products that have been manufactured or delivered by third parties are only warranted by Broshuis in so far as those goods are warranted to Broshuis by those third parties.
- 13.6. Compliance by Broshuis with the warranty obligation serves as sole and full compensation, so as never to make Broshuis liable for any other damage or loss whatsoever and for trading loss and/or other consequential loss.
- 13.7. If Broshuis, in order to comply with its warranty obligations, replaces components/products, the replaced components/products become Broshuis' property.
- 13.8. Unless otherwise agreed, repair or overhaul work or other services carried out by Broshuis are only warranted with respect to the quality of the execution of the work commissioned for a period of six months.
- 13.9. No warranty is given on the inspections, consultancy work and suchlike services carried out by Broshuis.
- 13.10. An alleged failure by Broshuis to fulfil its warranty obligations does not release the other party from its obligations arising from any agreement concluded with Broshuis.

§ 14 Liability

- Broshuis is only liable towards the other party in the following way:
- 14.1. Only the liability as provided for in Article 13 (Warranty) of these conditions applies to damage due to defects in products delivered.
- 14.2. Broshuis is liable if damage has been caused by intent or gross negligence on the part of Broshuis or its employees and/or representatives.
- 14.3. However, the liability of Broshuis is in all cases limited to the amount of the claims payment made by the insurance, insofar as this liability is covered by its insurance.
- 14.4. If in a certain case the insurance fails to provide cover or fails to make a claims payment, the liability of Broshuis with respect to products delivered and/or additional provision of services is limited to the invoice value of the products/services delivered.
- 14.5. Broshuis is never liable for indirect damage, including consequential loss, loss of profits, missing savings and damage because of business stagnation.

§ 15 Ban on sale and delivery in the United States of America and/or Canada

- 15.1. The other party is prohibited from reselling merchandise it bought from Broshuis and supplying it or making it available in any way whatsoever to customers in the United States of America and/or Canada.
- 15.2. The other party must take all necessary measures to prevent merchandise supplied by Broshuis from ending up in the United States of America and/or Canada, and is obligated towards Broshuis to impose this obligation on its customers by means of a perpetual clause.
- 15.3. For each infraction of the stipulations in paragraphs 1 and 2 of this Article, the other party will forfeit a penalty of EUR 50,000 at minimum without prejudice to Broshuis' rights to full compensation.
- 15.4. The other party indemnifies Broshuis against all claims that users of merchandise produced by Broshuis in the United States of America and/or Canada may enforce against Broshuis should the other party have violated the prohibition set forth in this article.

§ 16 Repairs, right of retention and suchlike

- 16.1. For the execution of the repair, assembly and/or inspection work to be carried out, Broshuis is entitled to bring the products in its custody to another firm. Broshuis is not liable for damage to products in its custody as a consequence of the transport to such a firm or the stay there.
- 16.2. Broshuis has the right to retain the products, which are to be and have been repaired, until the repairs have been fully paid for and/or other older claims have been settled. In case of failure of timely settlement of the claim(s), Broshuis has the right to sell these products in settlement of the debt.

§ 17 Dispute resolution

Any dispute between the other party and Broshuis will be resolved at Broshuis' discretion by the Overijssel District Court, location Zwolle, or by the competent court of the location of the other party, unless mandatory jurisdiction rules could impede this choice.

§ 18 Applicable law

All legal relationships, agreements, offers and disputes to which Broshuis is a party are exclusively governed by Dutch law. The applicability of the Vienna Sales Convention is excluded.

§ 19 Final stipulation

In case of a difference of opinion about the text of these general conditions of sale the Dutch text is exclusively considered as binding.

