

Sif Group



Sif Group bv

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GENERAL TERMS OF PURCHASE of the private limited liability company **SIF Group B.V.** with registered office and place of business at 6041 TA ROERMOND, the Netherlands, in the Mijnheerkensweg nr. 33. Filed in the Registry of the District Court of Roermond, the Netherlands, on 17 February 2006 under file number 5/2006.

Definitions

These terms shall apply to all agreements entered into with us.

In these terms shall be understood by:

Agreement: an agreement for the purchase of goods and/or the provision of separate services and/or the contracting of work.

Order : order to deliver goods and/or to provide services and/or to contract work.

The client : SIF Group B.V.

The contractor: the opposing party with which the client has entered into an agreement.

I. GENERAL PROVISIONS

Article 1 APPLICABILITY

1.1 The present general terms of purchase shall apply to all agreements to which the client is a party and to orders resulting from them awarded by the client. By accepting an order, the contractor shall be deemed to accept these terms of purchase as part of this agreement. Any (general) terms used by the contractor, of any nature whatsoever, shall not be applicable, unless these have been accepted expressly and in writing by the client; especially a mention of or reference to such terms by the



contractor in an order confirmation or quotation shall not make them applicable to the agreement entered into with us.

Article 2 ORDERS

- 2.1. A quotation submitted by the contractor shall be binding during the period to be specified in that quotation or for lack thereof during a minimum period of six months.

- 2.2. Prices, dimensions, weights, specifications, features and descriptions, etc., mentioned in a quotation from the contractor or in a purchase order issued by the client and/or in a purchase agreement to be signed by the contractor and/or in the scope of work issued by the client, shall be accurately identical in all respects to the samples and/or models which have been made available by the client and/or the contractor and shall be binding upon the contractor.

- 2.3 An agreement with the client shall be concluded only on the ground of a master agreement signed by both parties, a written purchase agreement, or a purchase order signed by the client which the opposing party has conformably accepted.

- 2.4 The contractor shall not be allowed to assign to third parties all or part of the obligations resulting from the agreement without written permission from the client.
 This permission may be made subjects to certain conditions.



- 2.5 With due observance of what is intended in the written documents such as above in 2.3 and in a technical specification, if any, belonging thereto, the contractor shall guarantee that the goods to be delivered and/or the services to be provided and/or the contracted work:
- a. are in compliance with the specifications of the order with regard to quantity, description and quality;
 - b. have been made of the materials prescribed and are of sound workmanship;
 - c. are identical in all respects to what has been defined in the order and/or drawings in accordance with the most recent specifications, unless mentioned otherwise, which have been made available and/or issued by the client and/or the contractor;
 - d. deliver the performances (finish, etc.) as defined in the order;
 - e. are completely suitable for the purpose notified to the contractor;
 - f. comply, as far as design, composition, quality, transport method etc. are concerned, with the applicable legal provisions which are in force in the Netherlands and/or EU countries and with other EU (government) regulations and with the applicable CE standards;
 - g. all goods and/or materials which are intended to be processed in or used with the products from the client are suitable for this purpose (also with regard to form, construction, composition, etc.). Especially with regard to the suitability for welding of the sheet metal, beam or rod material. The materials used must be of such a form, construction, composition, etc. that their use is legally allowed;
 - h. must comply at all times with the most strict or far-reaching requirement concerning quality and/or specification and/or material specification in accordance with the requirements specified by the client.



Article 3 INDUSTRIAL PROPERTY RIGHTS

- 3.1. The contractor shall guarantee that the goods delivered and services provided do not constitute infringement of patent rights and/or trademark rights and/or other rights of third parties and the contractor shall indemnify the client against any claims by third parties because of violation of any patent right, copyright or trademark right and/or any industrial or intellectual property right and it shall be liable for and shall compensate the client for any costs, damage and interests to be paid by the client.
- 3.2. The acceptance of orders for designs, engineering, consults, etc. shall also imply that when the client has paid the fee to which the contractor is lawfully entitled, all and any competencies which the exercise of the copyright and/or the industrial/intellectual property right implies in the widest sense, including source codes, shall pass onto the client, whereas the client shall also be granted the irrevocable right to make such changes in the design as it shall deem desirable. The contractor shall be obliged, should the client so wish, to lend its co-operation to the recording in writing of the above-described transfer of copyright and/or industrial/intellectual property in separate deed.

Article 4 DRAWINGS AND MATERIALS MADE AVAILABLE

- 4.1. The following provisions shall apply for (CAD) drawings and other materials or technical data made available:
- The above-mentioned drawings, other materials or technical data are and shall remain the exclusive property of the client.
- All drawings, other materials or technical data made available and all copies thereof shall be returned by the contractor to the client upon the first demand from the client.



The contractor shall be obliged to observe confidentiality with regard to the above-mentioned drawings, materials or technical goods. It shall be allowed to disclose these to members of its personnel only in so far as this is necessary for the realisation of the order from the client and in turn shall impose this obligation of confidentiality upon these employees. The contractor shall be allowed to use the above-mentioned drawings only for the realisation of the order from the client and undertakes the specific obligation not to use these for any other purpose, whether for itself or at the order of third parties.

- 4.2. All (new) goods made of materials made available by the client shall remain the property of the client or the ownership of the client shall extend itself to these (new) goods as well.

Article 5 DELIVERY TIMES

- 5.1. If the agreed upon delivery time, respectively the agreed upon realisation period is exceeded, the client shall have the right to dissolve the agreement with immediate effect without any further notice of default or judicial intervention, and this without prejudice to its right to full damages.
- 5.2. If the agreed upon delivery time can not be met, the contractor shall be obliged to notify the client of this at least two weeks before the agreed upon delivery time or agreed upon realisation period.
- In connection herewith the contractor shall also be obliged to inform the client which measures it has taken in order to deliver, respectively realise at the shortest possible notice, whether and when it will be able to deliver the goods, respectively to carry out the work, as well as the order in which these goods will be delivered, respectively this work will be carried out.



Article 6 PACKAGING AND SENDING

- 6.1. The contractor shall pack the goods properly and thoroughly and shall protect them in such a way that they reach their destination in a good state. If the client provides specifications for the packaging and/or for providing the packaging with external identification marks, the contractor shall comply with these specifications as well. The contractor shall take out adequate insurance to the satisfaction of the client against the risks which can reasonably be considered to be present during the transport.
- 6.2. The goods shall be delivered by the contractor at, or shall be sent by for delivery to the agreed upon place or places as specified in the order.

Article 7 STORAGE

- 7.1. If for whichever reason the client is not able to take delivery of the goods at the agreed upon time and these goods are ready for shipment, the contractor shall upon the request of the client keep the goods at the expense of the contractor and shall protect them and take all reasonable measures to prevent deterioration of the quality of the goods until they will have been delivered to the client.

Article 8 PRICES

- 8.1. The agreed upon prices shall be fixed prices and shall be inclusive of all costs, surcharges and duties, whether government-imposed or not, for example the costs of transport and insurance, the turnover tax and the import duties, the



auxiliary materials and assembly costs, this in so far as not expressly agreed upon otherwise.

Article 9 PAYMENT

9.1. If an invoice received by the client is approved by the client, the client shall take care of payment of the invoice within sixty days after receipt, unless otherwise agreed upon.

Payment shall not imply approved of the goods delivered and/or the services provided.

Article 10 FORCE MAJEURE

10.1. By force majeure shall not be understood the non-fulfilment or late fulfilment by a third party of the obligations which this third party has assumed towards the contractor, unless the contractor demonstrates that the non-fulfilment or late fulfilment of the obligations is due to force majeure and handover or delivery within the agreed upon period can not be reasonably expected of it, taking into consideration the moment on which the existence of the force majeure became known to it.

10.2. In the event of force majeure – regardless on whose side it occurs – the client shall be entitled at its discretion to dissolve all or part of the agreement, to suspend all or part of its realisation, or to demand complete fulfilment after the state of force majeure has ceased to exist.

In the event of force majeure on the side of the contractor this shall not affect the contractor's obligation to indemnify the client for all losses suffered. In the event of force majeure on the side of the client the latter shall never be held to any indemnification.



Article 11 DISSOLUTION

- 11.1. Without any summons or notice of default being required, the client shall be entitled to declare the agreement to be dissolved with immediately effect if:
- a. a petition for the bankruptcy of the contractor is filed, the contractor is declared to be in a state of bankruptcy or files a petition for temporary suspension of payment or has been granted temporary suspension of payment, if components of its capital are attached, if it offers a composition to its creditors, liquidates its business or dissolves the company, dies, is placed under receivership or otherwise loses free control of its capital;
 - b. the contractor violates or does not fulfil any obligation resulting from the agreement;
- 11.2. The contractor shall make use of its right referred to in the first section by registered letter or by process server's process to the contractor.
- 11.3. In the event of dissolution in accordance with the provisions laid down in section 1 the client shall be entitled without any further notice of default and without any judicial intervention to entrust to a third party all or part of the (further) realisation of the agreement at the expense of the contractor. The contractor shall furthermore compensate the client for all other losses, including business interruption losses and consequential losses, suffered and to be suffered by the client as a result of the dissolution.
- 11.4. If unforeseen circumstances occur, including government measures or government regulations, which may have an influence on (the realisation of)



the agreement, the client shall be entitled - at its discretion - to suspend all or part of the agreement or to dissolve the agreement fully or in part.

Article 12 APPLICABLE LAW / DISPUTES

- 12.1. Dutch law shall be exclusively applicable to all agreements, with explicit exclusion of the Uniform Act on the Conclusion of International Purchase Agreements concerning Movable Tangible Properties and the Vienna Purchase Treaty of 1980.
- 12.2. All disputes arising between the parties from an agreement (or from subsequent agreements resulting from such an agreement) shall be settled in the first instance by the District Court of Roermond, the Netherlands.

II. SPECIAL PROVISIONS

A. PURCHASE / SALE OF GOODS

Article 13 TRANSFER OF RISK

- 13.1. All goods shall be delivered and unloaded by the contractor under the free at domicile condition, unless otherwise agreed upon, and shall be at the expense and risk of the contractor until the moment of delivery and unloading, without prejudice to the provisions laid down in article 14.
- The goods shall be deemed to have been delivered if they have been unloaded and have been placed by the contractor at the location designated by the client.

Article 14 TIME AND DELIVERY

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14.1. The place and time of delivery and unloading shall be determined by the client.



Article 15 DETERMINATION OF SPECIFICATIONS

15.1. Numbers, quantity and weight of goods delivered shall be determined at the place of delivery or at a place to be designated by the client. This check shall not imply approval of the goods.

Article 16 EXCESS MEASURE

16.1. The client shall be entitled, if the goods delivered exceed the agreed upon quantity / quantities, to refuse the excess quantity.

Article 17 INSPECTION

17.1. It shall be the exclusive competence of the client to inspect or have inspected the goods delivered by the contractor at or after delivery. If in the opinion of the client the goods delivered are not in compliance with the order or do not have the quality and/or features which have been agreed upon or are customary – including the fact that the goods do not comply (completely) with the requirements laid down in 2.5. and/or with the most strict requirements of good and constant quality in particular with regard to the metallurgical requirements to be imposed thereon, and in particular also with regard to the suitability for welding, and/or have other patent and latent defects, the client shall notify the contractor thereof in writing and the client shall be entitled to demand as yet fulfilment or dissolution of the agreement, as well as full compensation for the losses suffered or still to be suffered, both directly and indirectly, and the client shall indemnify the client against all and any claims by third parties as a result of or in connection with the defectiveness of the goods supplied by the contractor. Patent or latent defects in the goods delivered shall be deemed to have been present at the moment of delivery.



- 17.2. Even if the goods have been accepted by the client, whether or not after an inspection by the client or by third parties, the client shall be entitled to demand – by means of a written notification to the contractor - if necessary and if possible (partial) fulfilment or (partial dissolution) if the agreement, all this with indemnification for the for the direct and indirect losses suffered, if it is determined at any time that the goods delivered do not comply with the requirements imposed above in this article and in article 2.5 and in the order, or have or have had, due to any cause for which the contractor is to be held responsible, a defect which has been latent until then, as a result of which the finished products manufactured and traded by the client do not comply or have not complied with the requirements imposed and the client is or has been held liable for that reason to provide indemnification for losses suffered.
- 17.3. Furthermore the client shall be entitled to inspect and/or have inspected the goods and/or materials during their manufacturing and/or processing. Also the client of the client and its client, third parties and/or agencies to be designated by the client and/or third parties or agencies to be designated by the client of the client and its client shall have the right of inspection as defined above.
- If the client wishes to make use of this right, the contractor shall provide access to the work to the client or to the third parties mentioned above and shall provide such facilities as the client shall reasonably be entitled to demand.
- 17.4. All expenses associated with inspections resulting from regulations or from the agreement shall be at the expense of the contractor, unless otherwise agreed upon.



B. CONTRACTING OF WORK / PROVISION OF SERVICES

Article 18 REALISATION

18.1. All auxiliary materials, tools etc. required for the realisation of the work shall be made available by the contractor at its expense and risk.

The work shall be realised in accordance with the agreed upon planning or work schedule and in accordance with the agreed upon working hours and contractual/legal provisions. The contractor shall be obliged to realise the work in shifts and/or by means of overtime time if this is necessary. The contractor shall see to it that all permits and/or permissions have been obtained in order to realise the work and/or have the work realised in shifts or by means of overtime work, without being entitled to charge costs for this to the client.

18.2. if the realisation of the work has to take place on the premises of the client or of third parties designated by the client, then the following instructions shall apply:

- the hours during which the work shall be carried out shall be determined in consultation with the client or the person designated by the client;
- the work shall be realised in such a way that the business operation at the location is disturbed thereby to a minimum;
- the instructions from the person responsible for safety regulations, company rules and regulations and other regulations in connection with the business operation at the location shall be complied with by the contractor.

The foregoing shall not relieve the contractor from its obligation to see to it that all work is carried out in accordance with the legal provisions and with due observance of the strictest safety requirements.



- 18.3. Contractors shall be obliged to use only workers who are in the employment of the contractor and for whom the contractor retains and pays taxes and premiums and furthermore to deploy only workers who are authorised and possess the skills to carry out the work ordered and who are also in possession of a VCA certificate.
- 18.4. The contractor shall be forbidden to subcontract or to have carried out by third parties the (extra) work or parts of it without written permission from the client.
- 18.5. Any extra work or deviation from the order shall be allowed only after written permission from the client.
- 18.6. The contractor shall not be allowed to comply with orders and/or instructions from third parties with regard to the agreed upon work, unless with written permission from the client. Certification agencies shall also be deemed to be included in third parties in the sense of this section of this article.



Article 19 INSPECTION

- 19.1. The work shall be inspected by or on behalf of the client at the agreed upon place of delivery as laid down in section 17 above.

- 19.2. The contractor shall timely notify the client in writing that the work is ready for inspection. The inspection shall then commence before long and shall be completed within a reasonable period.

- 19.3. All costs - of whichever nature - relating to the inspection shall be at the expense of the contractor.

- 19.4. A rejection, if any, shall be notified to the client in writing as soon as possible and with mention of the reason. The contractor shall repair the defects and submit the work again for inspection within a period to be specified within this notification.

- 19.5. Rejection shall not lead to extension of the handover or delivery period, unless the client considers reasons for such an extension to be present.

- 19.6. Even after inspection and handover the contractor shall continue to be liable for repairing defects or for replacing parts which have become apparent within a period after the handover to be specified in the order, unless the contractor demonstrates that the defects or faulty parts are the client's fault. All costs associated with the repair and replace as well as the re-inspection and/or rejection costs shall be at the expense of the contractor, without prejudice to its obligation to pay full indemnification.



Article 20

RISK

- 20.1. The work shall be at the risk of the contractor until it has been approved and handed over at the agreed upon place.
- 20.2. Goods which at the moment of handover were already the property of the client shall be at the risk of the contractor from the moment on which they are placed at the disposal of the contractor until the moment of handover at the agreed upon place.

Article 21

(CAR - CONSTRUCTION ALL RISKS) INSURANCE

- 21.1. The contractor shall be obliged to take out insurance coverage against all risks and/or damage resulting from or related with the work realised by it or by its personnel or by third parties which he uses for the realisation, including the work itself. The contractor shall be obliged to submit upon the first request from the client a copy of the insurance policy or policies referred to in this article.

The contractor shall be obliged furthermore to take out third party liability insurance coverage for all persons which it uses for the realisation of the agreement.



Article 22 QUALITY INSPECTION

- 22.1. The contractor shall be obliged to follow the quality inspection procedures described in the orders. The contractor shall be obliged furthermore to follow only those welding procedures which have been specified by the client and to have this work carried out by qualified welders only. Only after written permission from the client shall the welding procedures mentioned in the order be allowed to be deviated from.
- 22.2. If no quality requirements / procedures are mentioned in the order confirmation, then the work shall comply at least with the requirements imposed by Lloyd Register of Shipping, American Bureau of Shipping, Det Norske Veritas, Buro Veritas, comparable agencies or other agencies to be designated by the client.

Article 23 VICARIOUS TAX LIABILITY ACT

- 23.1. The client shall be entitled to retain 40% (in words: forty per cent) of the total wage sum relating to the work and pay this into the so-called G account of the contractor.
- If it appears to the client at any time that the contractor does not meet its “administrative” obligations resulting from or in connection with the vicarious Tax Liability Act, then the client shall be entitled to suspend (part of) the payment or to retain a higher percentage than the percentage mentioned above.
- The client shall also be entitled at any time to pay the percentages mentioned above directly to the government agencies concerned.



23.2. The contractor shall be obliged to organise its administration in such a way that it complies with the legal requirements or with the minimum requirements imposed by the Vicarious Tax Liability Act. The contractor shall at all times be obliged to offer the client inspection of the administration kept by it upon the client's first request.

Article 24 DOCUMENTATION AND CONFIDENTIALITY

24.1. Upon termination or handover of the work the contractor shall be obliged to make available to the client all relevant and customary documentation in a properly readable and reproducible quality and in the quantities as specified in the order and on CD-ROM if the client so desired.

The contractor shall be obliged furthermore to make available to the client the original inspection, test and manufacturing reports including thermal treatment charts and material certificates, if any, unless otherwise agreed upon.

Goods delivered without the documentation as referred to above shall be considered not to have been delivered.

24.2. The contractor shall be held towards the client to treat as strictly confidential any research results, documents and drawings of which he obtains knowledge within the framework of the co-operation with the client and therefore not to distribute or publish these, not to use them for the benefit of itself or of third parties, whether directly or indirectly and whether as a whole or in part, nor in derivatives, without explicit written permission from the client.