

GENERAL PURCHASING TERMS AND CONDITIONS

General purchasing and (sub)contracting terms and conditions of Wouter Witzel Eurovalve B.V. in Losser, the Netherlands, filed with the Chamber of Commerce under number 08137831.

GENERAL

Article 1: Definitions

In these purchasing terms and conditions the concepts and expressions used hereinafter are defined as follows:

- Client: (Wouter Witzel Eurovalve B.V.), user of these purchasing terms and conditions;
- Supplier: the other party to the client;
- Agreement: the arrangements recorded in writing between the client and the supplier concerning the delivery of goods;
- Delivery: the giving into the possession of, or as the case may be bringing under the control of, one or more goods of the client and any installation/assembly of these goods.
- Goods: the physical objects to be delivered;
- Parties: the client and the supplier.
- Work: the delivery of goods and/or services including the contracting work.

Article 2: General

Unless expressly agreed otherwise, the supplier is deemed to have accepted these general purchasing terms and conditions, also if the supplier's terms and conditions of supply derogate therefrom.

Article 3: Applicability

3.1 Articles 1 up to and including 25 of these terms and conditions apply to all offers made to the client and all agreements for delivery of goods, services and/or contracting work concluded with the client.

3.2 The client is the natural person or legal entity who/which applies these purchase terms and conditions. The other party is referred to as the supplier.

3.3 The general terms and conditions of the supplier do not apply and are expressly rejected.

3.4 Any derogation from these general purchasing terms and conditions and (sub)contracting terms and conditions only apply when these are confirmed in writing by the client and the supplier.

Article 4: Costs of offers

Any costs attached to making offers or price indications, also including the costs for advice, drawing work and suchlike, incurred by or on behalf of the supplier will not be reimbursed by the client.

Article 5: Changes

5.1 The client is at all times entitled to change, in consultation with the supplier, the extent and/or the

properties of the goods to be delivered. Changes will be agreed in writing.

5.2 If, in the opinion of the supplier, a change will have consequences for the agreed fixed price and/or the time of delivery, the supplier will be obliged, prior to acceding to the change, to inform the client of this in writing as soon as possible and no later than 8 working days after the notification of the required change. If these consequences for the price and/or delivery date are unreasonable in the opinion of the client, parties will enter into consultation about these matters.

Article 6: Transfer of obligations

6.1 The supplier can only transfer an obligation on the basis of the agreement to a third party with the prior written permission from the client. Reasonable conditions can be attached to this permission.

6.2 In events of transfer to a third party of (part of) the obligations of the supplier under this agreement, the supplier will be obliged to report to the client regarding the security to be provided for the transfer of VAT, wage withholding tax and national insurance contributions, which are prescribed by law for employers.

Article 7: Delivery date and financial penalty

7.1 The agreed delivery date is a final deadline. The supplier will be in default by operation of law through the exceeding of the delivery date. As soon as the supplier knows or ought to know that the performance of the agreement will not, not in a timely manner or not properly take place, the supplier will immediately inform the client thereof.

7.2 The supplier is liable for all damage that is suffered by the client as a result of exceeding the delivery date as referred to in article 7.1.

7.3 The client retains the right, for each day of delay in the delivery, to impose an immediately due and payable financial penalty on the supplier of 1% of the total order amount per commenced week up to a maximum of 10% of the total order amount.

7.4 The financial penalty referred to in article 7.3 can be claimed in addition to compensation on the basis of the law. The client has the right to setoff this financial penalty and/or compensation against amounts owed to the supplier.

7.5 The supplier is obliged to strictly adhere to the date stated in the purchase order. In the event of exceeding this date, without prior acceptance thereof by the client, the client retains the right in any event to

cancel the order in full or in part, without notice of default or judicial intervention being required and without prejudice to our other statutory rights.

Article 8: Prices

8.1 The prices referred to in the offer are excluding turnover tax, including proper packaging and based on delivery carriage paid at the agreed location, for deliveries within the European Union DAP and for deliveries outside the European Union DDP, in accordance with the Incoterms applicable at the date of the offer. Derogations therefrom will be recorded in writing.

8.2 Prices must be stated in Euros and price increases after the agreement has come into effect are and remain at the expense of the supplier, regardless of the period of time passed between the date of concluding the agreement and the performance thereof.

Article 9: Transfer of risks

9.1 Delivery takes place carriage paid at the agreed location, for deliveries within the European Union DAP and for deliveries outside the European Union DDP, in accordance with the Incoterms applicable at the date of the offer. Derogations therefrom will be recorded in writing.

Article 10: Inspection and testing

10.1 The client and/or its principal and/or those managing the work, will at all times have the right to inspect or test the delivered goods/the work (in progress). In that event the supplier will ensure such facilities as can reasonably be required for this purpose.

10.2 The costs of the inspection referred to in article 10.1 will be at the expense of the supplier in the event that these goods and/or the work are rejected by the client and/or its principal and/or those managing the work. Inspection or approval will not release the supplier from any guarantee or liability as these ensue from the agreement or the law.

Article 11: Location of delivery

The location of delivery is stated in the purchase order. In the event of the supplier delivering to an incorrect address the extra freight costs will be at the expense of the supplier.

Article 12: Rejection

12.1 If the goods/the work delivered by the supplier do not fulfil the requirements described in the assignment and/or specifications, the client will have the right to reject these. Taking delivery of the goods or as the case may be payment for the goods or the work does not imply any acceptance thereof. The goods/the work remain(s) at the expense and risk of the supplier until the point in time of possible approval.

12.2 If the client rejects the delivered goods or the work the supplier will be obliged, within a period to be established by the client, to:

- ensure free of charge repair; or
- ensure free of charge replacement of the goods or to still execute (have executed) the work in accordance with the agreement.

12.3 If the supplier does not, not within the period set out, or not to the satisfaction of the client, fulfil its obligation referred to in article 12.2, the client will be entitled to execute the repair personally or have the repair executed by a third party at the expense of the supplier. The client has the right to setoff the costs incurred against amounts owed to the supplier.

12.4 If the supplier is incapable of delivering within the agreed period, or in the event of urgency, the client will have the right to take all necessary actions at the expense and risk of the supplier, subject to the condition that the client informs the supplier about this.

Article 13: Intellectual property rights

The supplier guarantees that the goods to be delivered by the supplier to the client or the work to be executed by the supplier does not infringe intellectual property rights of third parties, and indemnifies the client against all claims that are brought against the client for that reason. The supplier will compensate the client for all damage that is the result of any infringement.

Article 14: Confidentiality

14.1 All designs, design details, drawings, and other documents, etc. provided by the client to the supplier, as well as knowhow, which have come to the knowledge of the supplier through the client, are confidential and will not be used by the supplier for any other purpose than for the fulfilment of its obligations ensuing from the agreement with the client.

14.2 The data referred to in article 14.1 will not be disclosed by the supplier, or reproduced, unless after having received written permission from the client. In addition, the supplier will also impose the obligation of confidentiality referred to in this article on its staff.

14.3 If the supplier must disclose to a third party/parties the data referred to in article 14.1 for the performance of the agreement, the supplier undertakes to also impose the obligation of confidentiality as referred to in this article on these third party/ parties.

14.4 The supplier will owe the client an immediately due and payable financial penalty of 10% of the total order amount with a minimum of € 5,000 if the supplier breaches one or more of the aforesaid obligations.

14.5 The financial penalty referred to in article 14.4 can, in addition to compensation, be claimed on the basis of the law. The client has the right to setoff this financial penalty and/or compensation against amounts owed to the supplier.

Article 15: Auxiliary materials

15.1 All auxiliary materials, such as drawings, designs, moulds, matrix and tools, that are made available by the client to the supplier for the performance of an agreement, or that are made by, or have been made for, the supplier specifically in the context of the agreement with the client, remain or will be under all circumstances the property of the client, regardless whether or not this is paid for.

15.2 All auxiliary materials and all copies made thereof must, upon first request from the client, be made available to the client, or as the case may be returned to the client.

15.3 As long as the supplier has the possession of the auxiliary materials they will be provided with an indelible reference stating that they are the property of the client. The supplier will point out the property rights of the client to third parties who wish to appeal to the rights of ownership on these auxiliary materials.

15.4 Without prejudice to the provisions of article 14 of these terms and conditions, the supplier will only use the auxiliary materials referred to in this article for the execution of deliveries and work for the benefit of the client and will not show these to third parties unless the client has given express written permission to do so. The supplier bears the risk of loss or damage and is obliged to insure the risk at its own expense.

Article 16: Documentation

16.1 The supplier is obliged to make the accompanying documentation available to the client prior to, or at the same time as the delivery.

16.2 The client will be free in the use of this documentation, including making multiple copies thereof for personal use.

Article 17: Liability

17.1 The supplier is liable for all direct and indirect damage arisen through an attributable failure or unlawful act on the part of the supplier, its employees or its assistants or agents. This also includes all damage arisen through the presence and use of items by the supplier in the performance of the agreement.

17.2 The supplier will fully indemnify the client against claims by third parties for compensation of damage as referred to in the first subclause.

Article 18: Insurance

The supplier will demonstrate to the client, at its request, that the supplier has taken out sufficient insurance at its own cost, which will cover any damage the client suffers as a result of acts and omissions on the part of the supplier and/or engaged third parties.

Article 19: Guarantee

19.1 The delivered work must comply with the agreement. It must contain the characteristics, which can be expected on the basis of the agreement, in particular the characteristics that are necessary for the

normal use of the work and the presence of which the client had no need to doubt, as well as the characteristics that are necessary for special use which had been foreseen with the agreement. The supplier is obliged, on first notice from the client, to eliminate all errors and defects, either by means of repair, or by means of replacement, at the discretion of the client. In the event of non-fulfilment thereof by the supplier, the client will have the right to, at the expense and risk of the supplier, execute that which is necessary or to have this executed by third parties.

19.2 The supplier guarantees that the delivered work will comply with all relevant statutory provisions concerning inter alia quality, the environment and health and safety.

19.3 The supplier is liable for all damage that could arise related to the performance of the obligations ensuing from the agreement.

19.4 The supplier indemnifies the client against all financial consequences of claims by third parties related in any manner to the performance of its obligations ensuing from the agreement.

Article 20: Payment

20.1 The payment term is 60 days net. Payment will as far as possible take place within this payment term, unless the client complains about the quantity and/or quality of the delivery - including the accompanying documents - after receipt of the goods.

20.2 In the event of advance payment or payment in instalments, the client has the right to require that the supplier provides security, sufficient in the opinion of the client, for the performance. The supplier will be in default if the supplier does not provide this security in the period of time set out. In that event the client has the right to terminate the agreement and to recover the damage suffered by it from the supplier.

20.3 The client is at all times entitled to proceed with setoff of that which parties can mutually claim from each other.

20.4 The client retains the right to pay the social insurance contributions and payroll taxes owed by the supplier with regard to the work, for which it is jointly and severally liable pursuant to the Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act, to the supplier by payment to its blocked account within the meaning of the Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act.

20.5 Without prejudice to the provisions of the previous subclause, the client is at all times entitled to deduct the aforesaid amounts of social insurance contributions and payroll taxes from the (sub)contract price and to directly pay this on behalf of the supplier to the Employment Insurance Agency (Dutch UWV) involved and/or the collector of direct taxes.

20.6 The client is entitled to suspend the payment if the client notices a shortcoming in the goods and any installation/assembly thereof.

20.7 Payment by the client does not include waiver of rights in any manner whatsoever.

Article 21: Packaging

21.1 The client has at all times the right to return the (transport) packaging materials to the supplier at the expense of the supplier.

21.2 Processing, respectively destroying of (transport) packaging materials is the responsibility of the supplier. If, upon the request from the supplier, packaging materials are processed or destroyed, this will take place at the expense and risk of the supplier.

Article 22: Termination

22.1 In the event of failure by the supplier in the fulfilment of its obligations under the agreement, or under other agreements ensuing therefrom, as well as inter alia in the event of its insolvency, moratorium and in the event of cessation, withdrawal of any permits, attachment on (a part of) the business property or items intended for the performance of the agreement, liquidation or takeover or any situation comparable thereto in the business of the supplier, the supplier will be in default by operation of law.

22.2 Without prejudice to all other rights, the client can terminate the agreement, in full or in part, if the supplier or one of its employees or representatives offers or provides any advantage or has offered or provided any advantage to a person who forms part of the company of the client or to one of its employees or representatives.

22.3 In aforesaid events the client has the right to unilaterally terminate the agreement, in full or in part, without notice of default and without judicial intervention.

22.4 Termination takes place by means of a registered letter or bailiff's notification to the supplier.

Article 23: Order, safety and environment

The supplier and its employees, as well as third parties engaged by the supplier, are obliged to observe the statutory health, safety and environmental regulations. Any company regulations and regulations of the client in the field of health, safety and the environment must also be followed. A copy of these rules and regulations will be promptly made available free of charge upon request from the supplier.

Article 24: Disputes

All disputes, including disputes that are only considered to be a dispute by one of the parties, insofar as they exceed the jurisdiction of the subdistrict court, will be adjudicated by the court with competent jurisdiction in the place of business of the client.

Article 25: Applicable law

25.1 Dutch law applies.

25.2 The Vienna Sales Convention (C.I.S.G.) does not apply, nor other international regulations the exclusion of which is permitted.

25.3 Only the civil court with competent jurisdiction in the place of business of the client will hear and determine disputes, unless this is contrary to mandatory legal provisions. The client can derogate from this rule on jurisdiction and apply the statutory rules on jurisdiction.