

General Procurement Terms and Conditions of SMEPRO INTERNATIONAL B.V.

Article 1 - Definitions

In these General Procurement Terms and Conditions, the terms below have the following meaning:

'SMEPRO': The private limited liability company Smepro International B.V., having its registered office and principal place of business at Nijverheidsweg 31, 6662 NG Elst, registered in the Trade Register of the Central Gelderland Chamber of Commerce under number 09074939;

'Supplier': the party to which SMEPRO awards and/or with which it places an order and/or with which SMEPRO concludes an agreement.

'Products': products (including raw products and semi-manufactures) and/or services as these are offered, sold and/or delivered to SMEPRO by the Supplier at any time and/or products processed on the instructions of SMEPRO.

'Services': services as offered to SMEPRO by the Supplier at any time, including processing of products on the instructions of SMEPRO.

'Article': where these General Terms and Conditions refer to a particular Article, this is a reference to a provision included in these General Terms and Conditions unless explicitly stated otherwise.

Article 2 – Applicability

- 2.1 These General Procurement Terms and Conditions apply at all times to all offers requested by SMEPRO from the Supplier, and/or to confirmations and/or agreements contracted with the Supplier with regard to the procurement of products and/or the provision of services, hereinafter referred to as **'the conditions'**. With regard to the application of delivery terms and conditions, SMEPRO requests the Supplier to comply with the delivery terms and conditions as included in the latest version of the International Commercial Terms (Incoterms). At the time of the filing of these General Terms and Conditions those are the Incoterms 2010. Each offer, order confirmation and/or contract of the Supplier must show which Incoterms apply.
- 2.2 Conditions used by the Supplier, of any kind whatsoever and whether or not included in General Terms and Conditions (of Sale and Delivery) used by the Supplier, apply only if these terms and conditions have been explicitly accepted by SMEPRO in writing.

Article 3 – Offers

Each offer received by SMEPRO from the Supplier is a binding and irrevocable offer except in the event of changed circumstances that, in SMEPRO's view, warrant an adjustment of the offer.

Article 4 – Contracting of an agreement

Agreements are deemed to have been contracted from the date of the dispatch of the written order by SMEPRO. In these General Terms and Conditions, 'in writing' is deemed to mean by post, fax, email or via any other customary means of communication by which it is possible to transfer text.

Article 5 – Changes

Changes to the agreement and to these General Terms and Conditions are effective only if they have been explicitly agreed in writing between SMEPRO and the Supplier, subject to the provisions of Article 6.

Article 6 – Prices and price changes

- 6.1 Unless otherwise agreed, the agreed prices are denominated in euros and are exclusive of VAT and subject to the Incoterm Ex Works (EXW), unless explicitly agreed otherwise, in writing, between SMEPRO and the Supplier.
- 6.2 If one or more cost price-increasing factors undergo an increase after the contracting date of the agreement, the Supplier does not have the right to increase the agreed price accordingly.
- 6.3 If SMEPRO and the Supplier have jointly determined, at the time when the agreement was contracted, the exchange rate at which the contract will be executed, exchange rate movements of + 5% or – 5% lead to a change in the agreed price only if the order has not yet been placed by SMEPRO. The Supplier shall always deliver placed orders for the price agreed at the time when the agreement was contracted.
- 6.4 If part-deliveries have been agreed for the products, the provisions of Article 6.2 and 6.3 apply in full to the products and/or services still to be delivered by the Supplier.

Article 7 – Packaging/dispatch

- 7.1 SMEPRO determines the method of packaging and dispatch.
- 7.2 Packaging becomes the property of SMEPRO unless SMEPRO and the Supplier have explicitly agreed otherwise.

Article 8 – Descriptions, models, tools and advice

- 8.1 Drawings, calculations, descriptions, models, tools and the like produced or provided by SMEPRO remain the property of SMEPRO. All information encompassed in these, as well as all information underlying the production method(s) of the products to be procured by SMEPRO remain reserved exclusively for SMEPRO.
- 8.2 The Supplier guarantees that, apart from for the purposes of the execution of the contract, the information referred to in Article 8.1 may not be copied or shown, disclosed or provided to third parties in any form whatsoever without the written consent of SMEPRO.

Article 9 – Deliveries and delivery dates

- 9.1 SMEPRO determines the delivery location.
- 9.2 The delivery date or time of delivery, as shown by SMEPRO's written order placed with the Supplier, is always deemed to be a binding and final date or time unless SMEPRO and the Supplier have explicitly agreed otherwise in writing.
- 9.3 The products are deemed to have been delivered in relation to the delivery date when they are delivered to the delivery address notified by SMEPRO, as defined in the agreed Incoterm.
- 9.4 As soon as the Supplier knows or expects that it will not be able to make a delivery on time, it must notify SMEPRO of this in writing without delay, stating the reasons and the expected duration of the delay. In the event of late delivery, the Supplier is in default by operation of law. The rights assigned to SMEPRO by law then accrue to it, including its legal right to full compensation for damages.
- 9.5 The Supplier has the right to comply with the agreement by means of part-deliveries only with SMEPRO's written consent.
- 9.6 Delivery also includes delivery of a packing list containing a description of the products delivered, the volume and/or number of products, the item number and the order number used by SMEPRO and all the documentation and material certificates accompanying the products. All documents must be drawn up in Dutch or English, unless explicitly agreed otherwise.

- 9.7 For procurement by SMEPRO from the Supplier of product numbers in excess of 10 items, a tolerance level of 10% above or below the number of products applies for deliveries by the Supplier, unless explicitly agreed otherwise.

Article 10 – Risk and transfer of ownership

- 10.1 After the relevant products have been delivered to the delivery address notified by SMEPRO and the delivery has been accepted by SMEPRO or by a third party designated by SMEPRO, the risk of these products is transferred to SMEPRO in accordance with the agreed Incoterm, as shown by the written order, unless SMEPRO and the Supplier have agreed otherwise in writing. The sole receipt by SMEPRO of the products in no way constitutes their acceptance or approval. If SMEPRO does not accept the products, the Supplier once again bears the risk of these from the time of the dispatch of SMEPRO's notice rejecting the products, regardless of the agreed Incoterm.
- 10.2 If SMEPRO provides the Supplier with products for processing, repair, inspection or for other reasons, these products are kept in the possession of the Supplier at the Supplier's risk and expense. The Supplier itself must provide for adequate insurance of these products. The products remain the property of SMEPRO at all times.

Article 11 – Payment

- 11.1 The Supplier is required to address invoices to SMEPRO, stating the order number, number of items and SMEPRO's item description in the invoice.
- 11.2 Unless explicitly agreed otherwise between SMEPRO and the Supplier, SMEPRO shall pay the agreed price within 60 days of the invoice date, provided that the products to which the invoice relates were delivered by the Supplier in accordance with the agreements reached. Payment by SMEPRO in no way entails acceptance or approval of the products delivered.
- 11.3 SMEPRO has the right at all times to settle all that SMEPRO owes the Supplier on any grounds whatsoever with all SMEPRO's current or future receivables from the Supplier and/or from any legal entity or company affiliated to the Supplier, whether or not these receivables are due. With this, SMEPRO and the Supplier explicitly intend a derogation from Article 6:127 of the Dutch Civil Code.
- 11.4 Costs incurred by SMEPRO in relation to legal proceedings, including legal fees and other costs of legal assistance, including to the extent that the payment of these costs is not ordered by the court, shall be borne by the Supplier unless SMEPRO is ordered to pay the costs, as the losing party, in a final and conclusive decision handed down by the court.

Article 12 – Guarantee

- 12.1 The Supplier guarantees SMEPRO that the products it delivers:
- are complete and entirely fit for the purpose for which they are intended;
 - comply fully with the requirements laid down in the order, the specifications, drawing, calculations and/or other documents provided by SMEPRO;
 - comply with all (inter)national (statutory) requirements and (government) regulations that must be observed in relation to the nature, the application/use intended by SMEPRO and the purpose intended by SMEPRO;
 - are of good quality and free of production and/or material defects;
 - are not contaminated in technical environmental terms.
- 12.2 A guarantee is also provided with regard to the material tests, certifications, inspections and other agreed services performed by the Supplier.
- 12.3 The alleged failure of the Supplier to comply with its guarantee obligations relieves SMEPRO of the obligations arising for it from any agreement contracted with the Supplier.

Article 13 – Complaints

- 13.1 SMEPRO has the right at all times to inspect the products after their delivery and in the case of defects, to submit a claim to the Supplier in that regard within a reasonable term for the complaint in question.
- 13.2 In the event of a complaint, SMEPRO shall notify the Supplier of this, stating its reasons. The Supplier is then required to improve, repair or replace the rejected products at its own expense, within a term set by SMEPRO. The Supplier is required to collect these products from the address notified by SMEPRO, at the Supplier's risk and expense. In the event of failure to do so, SMEPRO has the right to return the relevant products at the Supplier's risk and expense.
- 13.3 Receipt, payment, inspection and/or the absence of inspection by SMEPRO do not relieve the Supplier of any guarantee obligations and/or liability arising from the agreement contracted between SMEPRO and the Supplier and these General Procurement Terms and Conditions.
- 13.4 If SMEPRO submits a claim to the Supplier in relation to delivered products and SMEPRO has already made payment for those products, the Supplier must refund SMEPRO the purchase price amounts already paid by SMEPRO within five working days of the notification of the complaint.

Article 14 – Liability

- 14.1 The Supplier is liable for all direct and indirect damages, including the costs of legal assistance, that SMEPRO or a third party have incurred or shall incur as a result of or in connection with the (use of the) products and/or the execution of the agreement by the Supplier, its personnel or any third party or parties that it deploys, unless and to the extent that the damages are the direct consequence of deliberate or wilfully reckless acts on the part of SMEPRO.
- 14.2 The Supplier indemnifies SMEPRO in full against any third party claims for compensation for damages, including (legal) claims, arising as a result of or in connection with the execution of the agreement, as well as any (quality) defects of the products and the resulting damages, unless and to the extent that the damages are the direct consequence of deliberate or wilfully reckless acts on the part of SMEPRO. The Supplier shall indemnify SMEPRO in full in that regard.
- 14.3 The Supplier shall insure itself satisfactorily against the liability referred to in this Article and if required, shall allow SMEPRO to view the policy.

Article 15 – Suspension and dissolution

- 15.1 If the Supplier invokes or wishes to invoke a situation of *force majeure*, it shall notify SMEPRO of this without delay, in writing, stating its reasons.
- 15.2 The following circumstances in any event do not warrant the invocation of *force majeure* by the Supplier: late delivery by suppliers of the Supplier, personnel shortages, strikes, lack of materials or raw materials, transport delays, malfunctions in business processes such as, but not limited to, machine breakdowns.
- 15.3 In the event that the Supplier is prevented from complying with the agreement as a result of *force majeure*, SMEPRO has the right to either suspend execution of the agreement for a maximum of six months or to (partially) dissolve the agreement, with no liability on SMEPRO's part to pay any compensation for damages.
- 15.4 If SMEPRO is unable to meet its obligations to the Supplier due to *force majeure*, it is not liable to the Supplier and compliance with this obligation is suspended for the duration of the *force majeure* situation.
- 15.5 If:
 - the Supplier fails to comply with any contractual obligation to SMEPRO, or fails to do so properly or on time;
 - as well as in the event of bankruptcy or liquidation, the application of the statutory debt re-

scheduling arrangement, moratorium on payments, de cease, or the placement in receivership, halting, liquidation or partial transfer of the Supplier's business, including the transfer of a significant part of its receivables,

▪ as well as if attachment of the products is imposed on the Supplier and such attachment is not withdrawn within a reasonably short term,

SMEPRO has the right to dissolve the contract with the Supplier, partially or in full, with immediate effect, without notice of default, and without any liability on the part of SMEPRO to pay any compensation for damages and without prejudice to SMEPRO's other rights. The Supplier indemnifies SMEPRO against third party claims arising as a result of or in connection with the dissolution and is required to compensate SMEPRO for these. If SMEPRO avails itself of its right to dissolve the agreement with the Supplier, partially or in full, and the Supplier has SMEPRO products in its possession at that time, the Supplier is required to return these products owned by SMEPRO immediately. SMEPRO also refers in this regard to the provisions of Article 10.2 of these Terms and Conditions.

Article 16 – Declaration of intent

If one or more provisions of these General Terms and Conditions prove(s) to be invalid, or compliance with these cannot be claimed for any reason whatsoever, the other provisions of these General Terms and Conditions remain in effect in full. SMEPRO and the Supplier will then open talks in order to agree new provisions to replace the invalid or nullified provisions, observing the object and purpose of the original provision(s) if and as far as possible.

Article 17 - Applicable law/competent court

- 17.1 All agreements with SMEPRO are governed solely by Dutch law.
- 17.2 The application of every international treaty, the application of which can be excluded between the parties, is explicitly excluded. More in particular, the application of the 1980 Vienna Convention on the International Sale of Goods is explicitly excluded.
- 17.3 In the first instance, all disputes arising from agreements contracted with SMEPRO shall be exclusively settled by the competent Dutch courts. SMEPRO is free to agree a different form of dispute settlement (such as mediation or arbitration) with the Supplier at all times.
- 17.4 The provisions of Article 17.3 serve solely for SMEPRO. SMEPRO therefore has the right at all times to instigate action before the competent court, apart from the provisions of Article 17.3.
- 17.5 In the event of any disagreement concerning the interpretation of these General Procurement Terms and Conditions, the Dutch text is binding.

Elst, February 20, 2014

Smepro International B.V.