

GENERAL CONDITIONS OF PURCHASE

ZON Holding B.V. with its registered office in Venlo, Venrayseweg 104, as well as its legal successors and/or affiliated companies, hereinafter to be referred to as 'ZON', has adopted the following General Conditions of Purchase.

Article 1 Applicability

1. These General Conditions of Purchase shall apply to and form an integral part of all requests made by ZON for quotations or to enter into an agreement, the quotations made and offers made by the other party (hereinafter referred to as "the contractor"), ZON's orders, order confirmations of the contractor, all agreements concluded between the parties, as well as all other legal relationships between the parties. Thus these General Conditions of Purchase shall apply to all (legal) acts (including omissions) of ZON and the contractor in this respect.
2. Deviations from and/or additions to any provision in these General Conditions of Purchase shall only bind ZON if these deviations and/or additions have been expressly agreed upon in writing between ZON and the contractor without reservation. Any deviations and/or additions agreed upon shall only relate to the agreement in question.
3. These General Conditions of Purchase set aside general or specific conditions or stipulations of the Contractor, unless explicitly agreed otherwise in writing in advance.
4. These General Conditions of Purchase also apply to subsequent and future agreements, even if they do not refer to these General Conditions of Purchase.
5. ZON is authorised to make changes to these General Conditions of Purchase. The amendments shall take effect at the time announced by ZON.
6. The nullity or voidability of any provision of these terms and conditions or of agreements to which these terms and conditions apply shall not affect the validity of the remaining provisions. ZON and the contractor are obliged to replace provisions that are void or nullified by valid provisions that, as much as possible, have the same purport as the void or nullified provisions.

Article 2 Offer and agreement

1. All requests made and orders given by ZON or its subordinates shall - as long as not accepted by the contractor - be entirely without obligation, unless expressly agreed otherwise in writing.
2. Verbal commitments or agreements by or with its personnel or representatives shall only be binding on ZON after and to the extent that it has confirmed them in writing.
3. All costs to be incurred by the contractor in the context of an offer shall be at its expense.
4. ZON may require the contractor to comply with the offer made.
5. ZON shall only be bound by its order if the order has been accepted in writing by the contractor within 10 days after dispatch, unless another deadline for acceptance has been specified in the order.
6. If the parties have agreed further and/or additional agreements or amendments after the agreement has been concluded, these are only binding if and insofar as these agreements have been explicitly laid down in writing. In this case as well, the written record may consist of the order placed by ZON.

7. ZON is allowed to change the agreement. In that case the agreed fee will be adjusted in proportion to the amendment. Any less work to be performed, insofar as not already performed, and any (other) cost savings shall be taken into account.

Article 3 Prices

1. All amounts mentioned in quotations, offers, agreements and orders shall be in euros and shall always include taxes and duties, import and export duties, packaging costs, inspections, documentation, transport costs, shipping costs, insurance premiums, delivery to the designated place by ZON, other costs (such as any costs of assembly and instruction by the contractor) and shall be fixed for the duration of the agreement.
2. A quoted or agreed price is fixed and cannot be unilaterally increased by the contractor, not even if the contractor is confronted with a cost price increase, unless ZON expressly agrees to the price increase in writing.
3. Price indexations are not permitted unless prior consultation has taken place with ZON and ZON expressly agrees in writing to the price indexations.

Article 4 Delivery

1. Unless the parties have explicitly agreed on a different delivery method, "Delivered Duty Paid" must be delivered to the address designated by ZON, in accordance with the latest version of the Incoterms.
2. The agreed delivery period (which is also understood to mean the period within which the contractor must perform the agreed services) is a deadline, unless the parties have explicitly agreed otherwise in writing.
3. If the delivery time is exceeded, the contractor shall be in default without notice of default being required. In the event of a delay in delivery, the contractor shall be obligated to compensate ZON, or a third party whom ZON contracts, for all damage resulting from exceeding the term. If in case of late delivery a penalty has been agreed upon, this shall not affect ZON's right to full compensation.
4. If the Contractor expects that it will not be able to meet the delivery period to which it has agreed, it must immediately inform ZON in writing, stating its reasons. If the contractor fails to inform ZON in writing in good time, or fails to state a reason, a non-attributable exceeding of the delivery period may not be invoked; not even in the event of a force majeure situation.
5. In the event of late delivery ZON shall be entitled either to set the contractor a further term within which the contractor must still fulfil its obligation to deliver, or to dissolve the agreement in whole or in part without further notice of default and without being obligated to compensate the contractor for any damage.
6. In the event of late delivery, ZON may, in addition to compensation for damages, claim compensation for the additional costs it has had to incur to reasonably replace the goods not delivered or services not provided by the contractor.
7. Delivery shall take place at the expense of the contractor by delivery at the delivery address specified by ZON, unless the parties have explicitly agreed otherwise in writing. As soon as the goods are delivered at the delivery address specified by ZON, the risk of the goods shall transfer to ZON. The agreed services shall be provided or performed at the location specified by ZON.

8. If the parties have agreed that the contractor shall store the goods to be delivered to ZON, whether or not at his own location or at the location of a third party, delivery shall be effected at the time the goods are stored.
9. The contractor is responsible for transporting the goods until delivery to ZON or to a third party designated by ZON. In that respect the contractor is liable for all damage caused during loading, transport, unloading, installation and assembly of the goods, even if ZON personnel are used in the performance of any delivery transaction. The contractor shall repair or replace free of charge, at the discretion of ZON, those goods that have been damaged or lost during loading, transport, unloading, installation and assembly.
10. The goods must be properly packed and marked in accordance with ZON's instructions, to ensure that they reach their destination in good condition. The goods must have an instruction manual and a packing list present on which is stated the order number of ZON as well as the type number, number(s), description(s) and contact person of ZON. The contractor is liable for damage caused by inadequate packaging.
11. If, for any reason whatsoever, ZON is unable to accept the goods offered for delivery or requests postponement, the contractor shall, for a period to be further agreed upon, store the goods at his expense and risk, properly packed and clearly indicated as intended for ZON and store in such a way that the suitability of the goods is guaranteed and the required level of quality is maintained.
12. ZON shall at all times be entitled to determine the order of the deliveries and thus fit in with the progress of its work, even if the agreement implies a different order.
13. In the event that not all goods are delivered at the agreed time, and ZON dissolves the agreement as a result thereof, ZON may, if so desired, also apply this dissolution to the goods already delivered by the contractor pursuant to the same agreement, if these goods can no longer be used effectively as a result of the non-delivery or late delivery of the other goods.

Article 5 Guarantees and inspection

1. The contractor guarantees that the goods to be delivered and/or services to be provided comply with the agreement, have the properties promised, are free of defects, are suitable for the purpose for which they are intended and meet the statutory requirements and other government regulations, as well as all other requirements set by ZON, both with regard to quality and quantity.
2. Prior to, during or after delivery or provision of services, ZON shall be entitled to inspect, check and/or test the goods and/or services provided at the expense of the contractor. Inspection, checking, testing and/or approval does not release the contractor from any guarantee obligation or liability under the agreement or these General Conditions of Purchase.
3. If during inspection, checking and/or testing it appears that the goods and/or the services to be provided and/or the services provided do not comply with the agreement, ZON shall be entitled to reject the goods and/or the services in writing within a period of thirty days after discovering the shortcoming.

4. If it appears that the goods and/or services provided do not comply with the provisions of paragraph 1 of this article, the contractor shall, at his expense and risk, repair or replace the goods and/or services provided at the discretion of ZON, unless ZON prefers to dissolve the agreement in accordance with the provisions of article 10 of these General Conditions of Purchase and/or a reduction of the agreed price, on the understanding that the contractor cannot unilaterally determine which price reduction does justice to the observed defects. The parties must agree in this respect.
5. The contractor is obliged to keep parts of the delivered goods in stock during the usual lifespan of the goods.

Article 6 Payments

1. After the contractor has fulfilled all his obligations under the agreement, he may invoice ZON for the agreed price, after which payment by ZON shall take place within 30 days after the date of receipt of the invoice.
2. The contractor cannot derive any rights from the payment of the invoice and the payment does not in any way imply a waiver of rights. Payment shall not release the contractor from any guarantee and/or compensation obligation.
3. ZON shall be entitled to set off outstanding invoices against its own claims, whether or not due and payable, on the contractor and/or affiliated companies. The contractor shall waive any right to set off amounts owed reciprocally.
4. Prior to payment, ZON shall be entitled, in addition to or instead of transfer of ownership, to require the contractor to have an unconditional and irrevocable bank guarantee issued at its expense by a banking institution acceptable to ZON in order to secure the performance of the contractor's obligations.
5. ZON is authorised, before payment is made, to demand from the supplier that the invoice always contains a reference to an underlying, valid agreement or purchase order (number).

Article 7 Ownership

1. Ownership of the goods to be delivered by the contractor shall be transferred at the time of delivery.
2. The goods to be delivered by the contractor must be unencumbered and free of third-party rights. If the contractor has nevertheless delivered goods that belong to a third party or that are otherwise subject to third party rights to ZON, the contractor shall indemnify ZON against all claims of such third party relating to damage caused by and/or with the goods that the contractor has delivered to ZON, as well as damage to these goods themselves.
3. ZON shall be free at all times to resell and/or deliver the goods delivered by the contractor to third parties.
4. ZON is entitled to require that the transfer of ownership of the goods shall take place at an earlier time than at the time of delivery. The contractor shall then mark the goods as owned by ZON and indemnify ZON against loss, damage and exercise of rights by third parties.
5. All models, parts, drawings, moulds, photographs, data carriers and other devices made available to the contractor by ZON or purchased by the contractor on behalf of and at the expense of ZON shall be or become the property of ZON.

6. The contractor shall check all auxiliary equipment provided by ZON for the performance of the agreement with the utmost care. This shall also apply with respect to changes or adjustments requested by ZON to the items and auxiliary materials made available or manufactured by the contractor. The contractor shall immediately inform ZON in writing of any (suspected) inaccuracies it detects.
7. The contractor shall not use the goods and information made available by ZON and/or produced on its behalf for any purpose other than that for which they were made available. The contractor shall only use the moulds manufactured for or on behalf of ZON for the production of goods to be delivered to ZON.
8. The contractor shall not in any way make the goods and information referred to above available to third parties or make them available for inspection and shall be obliged to return these goods and information to ZON on first request.
9. The contractor shall keep the aforementioned equipment in good condition and insure it against the risks of damage, fire and theft with a solid insurance company. At ZON's first request, the contractor is obliged to provide proof of this insurance.

Article 8 Liability and Insurance

1. The contractor shall be liable for all damage, of whatever nature and in whatever manner, caused or inflicted on ZON and/or third parties, including persons and enterprises working for or at ZON, in connection with or as a result of the work performed or goods supplied by the contractor, the presence of undesired residues or the exceeding of standards, MRLs (e.g. chemicals and minerals) in the goods supplied by the contractor, acts and/or omissions of the contractor, its personnel, its subcontractors and/or suppliers. In particular, the contractor shall also be liable for damages suffered by ZON as a result of recall actions at ZON or at third parties.
2. The contractor shall indemnify ZON against all claims of third parties (including personnel and employees of ZON) against ZON for compensation of damages on the grounds of liability as referred to in the previous paragraph of this article. Third party claims against ZON shall also include claims of third parties based on product liability arising from defects in the goods delivered and/or services rendered. This indemnification shall also apply in particular if ZON cannot fulfil its obligations towards third parties, such as a contractor of ZON, as a result of a shortcoming of the contractor and/or others engaged by the contractor in the performance of the agreement.
3. If damage occurs during the performance of the agreement, the contractor is always obliged to take the necessary measures for limiting the damage and repairing it in good time, or to have them done.
4. The contractor is obliged to insure itself against the aforementioned risks and damages with a solid insurance company. On first request, the contractor will be obligated to provide proof of this insurance and timely payment of the premium due for the insurance as well as a copy of the policy including policy conditions. The contractor shall refrain from any action or omission that may have a negative impact on the insurance coverage. The insurance obligation referred to in this paragraph also includes taking out product liability insurance.

5. ZON shall not be liable towards the contractor for any damage, regardless of the manner in which it was caused and the persons by whom the damage was caused. More specifically, ZON shall not be liable for indirect or consequential damages, including trading losses. The exclusions of liability contained in this paragraph do not apply insofar as the damage is the result of intent or willful recklessness on the part of ZON.
6. In the event that ZON would nevertheless be obligated to pay any compensation, it shall never exceed the amount actually paid out by ZON's insurer in the case in question. The insurance policy and the policy conditions are available for inspection. If, for whatever reason, no payment is made under this insurance, all liability shall be limited to the amount of the invoice corresponding to the agreement on the basis of which the contractor claims, on the understanding that all liability shall be limited to an amount of EUR 40,000.
7. Damage within the meaning of these General Conditions of Purchase includes any loss in any form whatsoever, both direct and indirect, including a penalty clause in relation to third parties, immaterial damage, business or environmental damage and consequential damage such as loss of profit.

Article 9 Force majeure

1. In the event of force majeure on the part of ZON or the contractor, ZON shall be entitled either to suspend performance of the agreement or to cancel the agreement in whole or in part, without the contractor having any claim for damages against ZON. In that case the contractor shall compensate ZON for all costs incurred and to be incurred by ZON.
2. Force majeure on the part of ZON is deemed to be, among other things:
 - Strikes by ZON's employees or by third parties engaged by ZON for the performance of the agreement.
 - Illness of ZON employees or third parties engaged by ZON for the performance of the agreement.
 - Measures and/or prohibitions by the Dutch and/or foreign government (including the European Union) to which ZON is bound.
 - As well as all other unforeseen circumstances which prevent ZON from performing the agreement in a prompt and proper manner and which are not at the expense and risk of ZON.

Article 10 Dissolution

1. ZON shall be entitled, without prejudice to its right to compensation, without notice of default and without judicial intervention with immediate effect (a) to suspend the performance of the agreement and all related agreements and/or (b) to dissolve that agreement and all related agreements in whole or in part:
 - a) If the contractor does not fulfil any obligation under the agreement, or does not do so on time or properly.
 - b) If the contractor faces bankruptcy or suspension of payments.
 - c) If the contractor's company is dissolved, liquidated or closed down.
 - d) If a substantial part of the contractor's assets is seized under executorial attachments.

- e) If ZON has well-founded reasons to fear that the contractor is unable or will not be able to fulfil his obligations arising from the agreements concluded with ZON and the contractor, at ZON's request, does not provide (sufficient) security for the fulfilment of his obligations.
 - f) In all other cases mentioned in these General Conditions of Purchase. In these cases, ZON shall equally be entitled to suspend its payment obligations and/or to transfer the performance of the agreement in whole or in part to third parties at the expense of the contractor, without any obligation to pay damages.
2. All claims which ZON may have or acquire against the contractor in the cases referred to in this article, including all claims for damages, shall be immediately due and payable in full.
 3. The contractor shall inform ZON without delay if one or more of the situations referred to in article 10.1 occur. This shall also apply if there is a risk of seizure of movable or immovable property owned by ZON which is in the possession of the contractor within the framework of the performance of the agreement.
 4. In the event of bankruptcy or suspension of payment, the contractor shall immediately show a bailiff, trustee and/or administrator the agreement and indicate ZON's ownership rights.
 5. The contractor shall not be entitled to invoke any right of suspension or setoff against ZON.

Article 11 Intellectual property rights

1. The intellectual and industrial property rights to all goods, data and information made available to the contractor by ZON, including, among other things, documentation, designs, drawings, photographs and specifications, belong to ZON.
2. The intellectual and industrial property rights to all items and designs, in whatever form, manufactured by the contractor (either personally or in cooperation with ZON) on the instructions of ZON or for the performance of the agreement with ZON, belong to ZON. If any act is required for the transfer of these rights to ZON, the contractor shall cooperate with ZON on first request.
3. The contractor guarantees that the use, including resale, of the delivered goods does not infringe any valid intellectual property right or other rights of third parties.
4. The contractor indemnifies ZON against claims of any nature whatsoever arising from any infringement of the rights referred to in the previous paragraph of this article. The contractor shall compensate ZON for all damage, costs and interest resulting from any infringement of the rights referred to in the previous paragraph of this article.
5. The contractor may only use information and data provided by ZON - of whatever nature - for the performance of the agreement. This information and data shall remain the sole property of ZON.
6. Documentation, drawings, packaging, labels, manuals, data carriers and other items attached to the product or service to be delivered to ZON form an integral part of the agreement and shall be delivered to ZON at the same time as the relevant product or service.
7. ZON shall at all times have the power to change or adapt the (appearance of the) delivered goods, even if it has been agreed that the copyright or design rights in respect of (part of) the delivered goods shall belong to the contractor.

8. The contractor grants ZON a non-exclusive license to any intellectual property rights it may have in respect of services not performed exclusively for ZON. By virtue of this license, ZON has the right to apply, use and reproduce for its own business purposes. All intellectual property rights in respect of services performed exclusively for ZON shall be transferred to ZON. As far as computer software is concerned, the source codes will be transferred to ZON. At ZON's request, the transfer of these intellectual property rights will be further formalised if necessary.

Article 12 Transfer and performance by third parties

1. Subject to ZON's prior written and express consent, the contractor may not transfer the agreement, in whole or in part, to third parties or have it executed by a third party. ZON may attach conditions to its consent.
2. The consent of ZON as referred to above shall not exempt the contractor from any obligation under the agreement. Under all circumstances the contractor remains fully responsible and liable for the performance of the agreement.
3. If ZON gives its written and express consent to a transfer of the agreement or performance of the agreement by third parties, this shall be subject to the condition that the contractor imposes the same conditions with respect to the performance of the agreement that ZON has stipulated with respect to the contractor, including these General Conditions of Purchase.
4. The contractor shall indemnify ZON against all claims of whatever nature that third parties engaged by the contractor may have against ZON in respect of any damage suffered or to be suffered during the performance of the work commissioned by them.
5. Any claims of the contractor on ZON shall not be transferable.

Article 13 Personnel and auxiliary

1. All employees and/or auxiliary persons deployed by the contractor in the performance of the agreement are directly under the supervision and responsibility of the contractor.
2. The contractor guarantees that there is a legally valid, written employment agreement between the contractor and the employees whom the contractor has engaged to work at any location of ZON, that all employees are in possession of a valid proof of identity and carry this with them when they are at any location of ZON and that, insofar as applicable, the employees are in possession of a work permit pursuant to the WAV. The contractor shall indemnify ZON against any claims of third parties, including fines imposed by government agencies, due to failure to comply with the obligations referred to in this article.
3. Personnel and/or auxiliaries engaged by the contractor in the performance of the agreement shall meet the special requirements set by ZON. If no special requirements have been set, these personnel and/or auxiliaries shall meet the general requirements of professional competence and expertise.
4. If ZON deems that there are insufficiently qualified personnel and/or auxiliaries, ZON shall be entitled to order the removal of the persons concerned and the contractor shall be obliged to replace those persons without delay by persons who meet those requirements.
5. ZON shall be authorised to identify all personnel and/or auxiliaries engaged by the contractor in the performance of the agreement.

6. The contractor shall indemnify ZON against all claims of whatever nature that the personnel and/or auxiliaries engaged by the contractor may assert against ZON in respect of any damage (to be) suffered during the performance of the work commissioned by them.
7. The contractor guarantees to ZON the timely and full payment of taxes and social security contributions related to the work (to be) performed by the contractor.
8. ZON is at all times entitled to make direct payments to the tax authorities and/or the business association when activities are carried out at the location of ZON or a location to be indicated by ZON. The contractor shall state on the invoice the amount agreed with ZON that is to be paid directly for social security contributions and wage tax.
9. In the event that work is performed at ZON's location or at a location to be indicated by ZON, the contractor shall be obliged to provide ZON, at its first request, with a recent statement of payment status from the implementing body and the tax authorities that may not be older than three months.
10. In the case of performance of work at ZON's location or a location to be indicated by ZON, the contractor shall, at ZON's request, attach the invoices to its statement of work showing which persons, where, on which days and for how many hours a day have been deployed for the performance of the work. The personal details required include name, date of birth and citizen service number.
11. Without prejudice to the provisions of the previous paragraphs, all persons present at ZON's location or a location to be indicated by ZON must have fulfilled the statutory social obligations by the contractor. ZON shall be entitled to exercise control in this regard. The contractor shall be obliged to cooperate in this regard.
12. ZON shall be entitled to suspend the performance of any obligation towards the contractor if ZON has reasonable grounds to believe that the contractor is not or has not fulfilled his obligations as referred to in article 13.

Article 14 Equipment and tools

1. The contractor shall take charge of all the preparation and other equipment necessary for the performance of the goods to be delivered, services to be provided and/or work to be carried out by it. These tools and other equipment shall comply with the applicable safety requirements. The use of tools and other equipment that do not meet these requirements is prohibited.
2. The tools and other equipment made available to the contractor by ZON shall at all times remain the property of ZON. The contractor shall be obliged to use and maintain the tools and other equipment provided by ZON appropriately. As long as the contractor has ZON tools and other equipment in his possession, the contractor shall be liable for damage to or loss thereto, for whatever reason.
3. ZON shall be authorised to inspect and test all tools and equipment to be used by the contractor in the performance of the Agreement.

Article 15 Sites and buildings

1. Before commencing the delivery of the goods and/or the provision of the services, the contractor shall acquaint himself with the circumstances on the grounds and in the buildings of ZON where the goods are delivered and/or the services are provided. In case of non-compliance with these regulations and instructions, ZON shall be entitled to refuse the contractor further access to ZON's sites.
2. Before commencing the delivery of the goods and/or the provision of the services, the contractor and the personnel and/or auxiliaries engaged by him must familiarise themselves with the contents of the rules and regulations applicable on ZON's sites and in its buildings, including those relating to safety, health, privacy and the environment. The contractor and the staff and/or auxiliaries engaged must act in accordance with these rules and regulations.
3. Costs of delay in the performance of the agreement caused by circumstances as referred to above or in connection with unfamiliarity with the rules and regulations applicable at ZON shall be at the expense and risk of the contractor.
4. The contractor shall ensure that his presence and the presence of the personnel and/or auxiliaries engaged by him on the sites and in the buildings of ZON shall not constitute an obstacle to the unimpeded progress of the activities of ZON and third parties.
5. ZON does not accept any liability whatsoever with respect to employees and/or third parties engaged by the contractor in the performance of the agreement, while the contractor further indemnifies ZON against any liability in this respect.

Article 16 Confidentiality

1. The contractor must observe strict confidentiality with regard to all information of which it becomes aware in the context of an offer or (the performance of) an agreement, as well as all other information of which he can reasonably understand to be secret or confidential.
2. The contractor is expressly forbidden to publish, use for promotional purposes or make public photographs or other images of goods or works delivered or produced by him or made available to him. Furthermore, the contractor is forbidden to use ZON's name as a reference.

Article 17 Final provisions

1. The contractor shall not be entitled to transfer its rights or obligations under any agreement with ZON, in whole or in part, to a third party without ZON's written permission.
2. All disputes between ZON and the contractor arising out of or in connection with an agreement concluded between them, including those requiring urgent settlement, shall be submitted exclusively to the competent court in the place where ZON has its registered office, without prejudice to ZON's authority to submit that dispute to the court in the contractor's domicile if desired.
3. These General Conditions of Purchase and all other agreements between the parties are exclusively governed by Dutch law. The application of the Vienna Convention on Contracts for the International Sale of Goods or any other international treaty relating to the sale of movable property shall be excluded to the extent possible pursuant to such conventions.

=====

In case of deviations between the Dutch and the English version of these General Conditions of Purchase, the Dutch version prevails.